Daily Report

Latin America

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8 October 1987

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Cuba

Fidel Castro Greets Shevardnadze at Airport

FL080301 Havana Radio Rebelde Network in Spanish 0234 GMT 8 Oct 87

[By Juan Emilio (Frigols)]

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers tonight received Eduard Shevardnadze at the Jose Marti International Airport.

Shevardnadze, member of the CPSU Politburo and Soviet foreign minister, is on a working visit to our country at the invitation of the Cuban party and government. The foreign minister arrived from South America after making official visits to Brazil, Argentina, and Uruguay. Prior to this, he attended the UN General Assembly meeting in New York.

The distinguished guest and his delegation were greeted at the airport by Aleksandr Kapto, Soviet ambassador to Cuba, and leaders of the Cuban party and government.

Soviet Minister To Visit Cuban Mining Areas

FL071930 Havana Radio Progreso Network in Spanish 1100 GMT 7 Oct 87

[Text] Vladimir Durasov, Soviet minister of nonferrous metallurgy, will visit mining and nickel research areas located in the eastern sector of the country. The Soviet minister arrived in Cuba yesterday.

Reagan Discusses Contra Aid in OAS Speech

FL072037 Havana Radio Reloj Network in Spanish 1953 GMT 7 Oct 87

[Text] During his speech today to the OAS, President Ronald Reagan reiterated that he will ask the U.S. Congress for $270 million in aid for the Nicaraguan counterrevolutionary bands. The U.S. leader attempted to justify his request by saying that the new funds that would be allotted to the mercenaries would guarantee the fulfillment of the peace agreements signed by the Central American leaders last August.

While speaking to the OAS ambassadors, Reagan said that the military pressure exerted by the counterrevolutionaries is what required Nicaragua to sign the Esquipulas II agreement.

During his speech to the OAS, the U.S. President refrained from giving specific conditions for ending aid to the Contras and he asked that this group participate in the current Nicaraguan process.

Commentators on U.S. Presence in Panama

PA071322 Havana International Service in Spanish 1600 GMT 5 Oct 87

["Topics" feature with commentators Nestor Nunez and Amalia Sanmartino]

[Text] [Nunez] I think that Panama deserves our attention today. Because of the problems that that isthmian country has, we must take into account the destabilizing movement that the United States has been promoting in that nation. This destabilization includes the mobilization of business and rightist sectors that are trying to overthrow the current government to facilitate the continuation of the U.S. presence in that country, which must end at the end of this century as prescribed in the Torrijos-Carter agreements.

[Sanmartino] Regarding this, I wanted to say that on 1 October, Panama commemorated the 8th anniversary of the implementation of part of the Torrijos-Carter agreements. It must be recalled that on 1 October 1979, the Panamanians took over some areas of the canal zone that had been occupied by the United States.

The agreements then will go in full effect on 31 December 1999. I am stressing this date because this is a very interesting matter that touches on the way in which things have been happening in Panama. On that date, the Panamanian nation must assume the administration and defense of the canal with the withdrawal of all the U.S. troops from the areas that they are still occupying.

I am precisely referring to the U.S. Southern Command. You and I were talking the other day about this situation and the campaign of destabilization that has been under way in Panama. We not only referred to activities by members of the U.S. Embassy in Panama but by Southern Command troops with the reactionary forces. We are not only referring to the National Civic Crusade and the businessmen. We are saying that there is a maneuver under way to destabilize the Panamanian Government and put an end to it in order to prevent not only the turning over of the Southern Command, but also the territory occupied by the United States.

I think that it is also opportune to mention that things have not been going smoothly in Panama. The Panamanian Government has had to handle difficult situations such as the economy. Consequently, the reactionary forces, incited by the United States, have used this situation to promote this destabilization campaign. I do not know what your opinion is about this.

[Nunez] Before coming to the studio, I gathered some data about the Panamanian situation. It is true that the right wing has been involved in all this, incited by the United States with the intentions that you already mentioned very well. This has coincided, in time, with demonstrations organized by the National Council of

Organized Workers, but of course, for very different reasons. However, they have coincided in time, and this makes the situation more difficult and tense in Panama.

It must be recalled that according to information that appeared in the Panamanian press, 30 percent of the people hold 64 percent of the country's wealth. However, 20 percent of the population is classified as poor because of low income. There is also another 20 percent that lives in extreme poverty. In other words, more or less 40 percent of the population is classified as poor or extremely poor.

Consequently, this results in desperation and instability. The affected sectors want to improve their situation.

Panama's foreign debt right now is approximately $5 billion, or slightly over $5 billion. In addition, 84,500 people are jobless. Of these, 60,700 people live in the metropolitan areas; that is, in Panama City and other large cities. This is another factor for destabilization, and if one takes into account that Panama's main sources of economic support are funds from the IMF and the World Bank, which demand restrictive policies—and everyone knows the consequences of these policies—it is logical to think that there will be demonstrations from workers who demand a break with the IMF, salary increases, etc. These are very just demands.

However, these demonstrations coincide, in time, I repeat, with the destabilizing maneuvers and thus, the situation becomes even more difficult. Of course, one trusts in the Panamanian working class, their leaders, the political awareness that they must have, and the assessment that they have made of the situation. But I repeat, the fact that the workers' demonstrations coincided with the protests and movements of the rightist sectors has resulted in a tenser situation in the country.

[Sanmartino] As you said, the Panamanian Government is facing a very difficult situation. It is difficult because there are internal difficulties. It is difficult because an effort is under way to enlarge these difficulties and introduce other difficulties to overthrow the Panamanian Government. The goal is to oust the government authorities.

The other day, there was talk that the Civic Crusade had plans to form a government that favored the decisions of the United States regarding the Panama Canal.

However, there is another situation I want to discuss. Undoubtedly, Panamanian foreign policy has been very frank about the Central American situation. Do not forget that Panama is one of the Contadora Group members. Consequently, this position to solve the Central American problems politically is also another reason that the United States wants any plan existing in Panama to fail. This is so not only because of the canal but also because of all its foreign policy plans.

[Nunez] No doubt, one thing goes in hand with the other.

[Sanmartino] Of course, this is also in line with what we have been saying, not in this program, but in other programs of this station. The fact is that all this is part of a big plan for destabilization, the aim of which is to eliminate the canal treaties to keep the canal in U.S. hands and keep the Southern Command—the place where the counterrevolutionary strategy for Latin America is planned—in that country.

As we were just saying, the Panamanian Government is facing a very delicate and difficult struggle. We hope that they will know how...[changes thought] not that they know how but that they can carry it out.

[Nunez] It must be noted that the U.S. escalation is increasingly open and barefaced. There is the recent transfer of more than 100 U.S. Marines from the canal area to the U.S. Embassy to protect it. Although the United States can claim that it was a security measure, it is also true that it was a test, a drill, by the United States to see what reaction Panama would have in the face of a violation of this type. This was a violation of the Torrijos-Carter Treaties. These treaties not only establish the withdrawal of all U.S. military forces but prohibit the free circulation of U.S. military units in Panama without previous authorization from the Panamanian Government.

[Sanmartino] According to the treaties, if they do circulate, they must not carry weapons, and they were armed and in combat gear. As you said, it was a way to check what would happen and how people would react to this. Evidently, an escalation of actions against the Panamanian Government is under way.

[Nunez] Yes, Amalia; I agree with you. The situation is tense and difficult, and the Latin American public should keep their attention focused on the situation in Panama because everything seems to indicate that the United States will insist on this interventionist policy.

We will have to wait for the coming days to see what the end of the situation will be and what the Panamanians' reaction to these provocations will be, taking into consideration that Panama and its people are fighters. They are a people who have shown a strong anti-imperialism trend and have firmly faced the U.S. presence in the heart of their territory.

Rizo Alvarez Delegation Visits Yugoslavia

For Yugoslav media coverage of the visit to Yugoslavia by Secretariat of the Central Committee of the Communist Party of Cuba Candidate Member Juliano Rizo Alvarez and his delegation, see the Yugoslavia section of the 1 October East Europe DAILY REPORT and subsequent issues.

Risquet, Burkinabe Minister Meet in Havana

FL071747 Havana Radio Progreso Network in Spanish 1100 GMT 7 Oct 87

[Text] PCC Politburo member Jorge Risquet met yesterday, in Havana, with Ernest Nongma Ouedraogo, Burkinabe minister of territorial administration and security. During their warm and friendly meeting, Risquet and Ouedraogo discussed matters of mutual interest.

ICAP President Meets With Italian Officials

FL072126 Havana Radio Reloj Network in Spanish 1933 GMT 7 Oct 87

[Text] The Cuban delegation headed by Rene Rodriguez, president of the ICAP [Cuban Institute of Friendship with the Peoples], was received today in a friendly atmosphere by the highest administrative leaders of the Piemonte region in Italy.

Accompanied by (Luciano Mansi), mayor of Collegno; Javiar Ardizones, Cuban ambassador to Italy; and Celia and Aleida Guevara March, daughters of Che Guevara, Rodriguez also met with other high-level administrative leaders representing several regional political parties.

These meetings are being held to mark Cuban-Italian Friendship Week which is being held in northwestern Italy to commemorate the 20th anniversary of Che's death.

The ICAP president later held an animated dialogue with artisans from Collegno who were very interested in the life and work of Che and the history of the Cuban revolution.

Measures To Curb Mercenaries Urged at UN

FL071810 Havana Radio Progreso Network in Spanish 1100 GMT 7 Oct 87

[Text] Cuba has urged the United Nations to adopt strict international measures to curb mercenary activities. Cuban delegate Juana Servera has stressed that pretending that there are no mercenary activities is the same as covering up for governments that openly declare their support for any type of action that will lead to the overthrow of other governments.

Manual Agriculture Workers Wages Increased

FL071334 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Oct 87

[Text] In agreement with the government and in line with the policies outlined by the PCC leadership to increase as much as possible the salaries of lower income workers, the State Committee for Labor and Social Security has adopted Resolution 53, which establishes wage increases for manual agriculture workers.

As is known, the feasibility of improving the pay for manual agriculture workers was discussed by Commander in Chief Fidel Castro Ruz during the deferred session of the PCC Central Committee fifth plenum held last 24 September.

The salary increase benefits 200,000 workers who work under the Agriculture and Sugar Industry Ministries in the entire country and costs approximately 58 million pesos a year. These salaries were in effect on 1 October.

Commentary on Approved Wages

FL072027 Havana Radio Reloj Network in Spanish 1700 GMT 7 Oct 87

[Station commentary]

[Text] Early this year, during the 53d CTC [Central Organization of Cuban Trade Unions] national council, Comrade Fidel suggested the need for the progressive improvement of the situation of the workers who were earning the lowest wages in the country. The party immediately began working on the commander in chief's suggestions, and the government began implementing a system which was within its possibilities. This was greatly appreciated by the people because it was a fair decision, because it was in accord with the highest moral values of the revolution, and because, honestly speaking, this decision made amends for some injustices introduced, and nourished, by some who did not seem to like to share with those who were under them.

Today, more than a million active and retired workers have seen their income increased. This is more meaningful because it is happening at a time when the Third World is experiencing a deep economic crisis. This does not mean that our country is not affected by this crisis and Fidel's statements, throughout this year, are proof of this. The decision to improve our workers wages means that our country is in a better position to confront and overcome the crisis experienced by most of the Third World countries. Obviously, our socioeconomic process, and the nature of our relations with the socialist community are a determining factor is this process.

But there is something that we must underscore; this increase in the wages of the workers with the lowest income does not mean that we are trying to copy what others are doing; the revolution does not have that kind of dreams. Because of its very solid principles, and because of its strong feeling of justice, the revolution will never forget its people.

OTHER COUNTRIES

Haiti

Electoral Council Opens Campaign Period

FL080045 Port-au-Prince Radio Nationale in Creole 1300 GMT 7 Oct 87

[Text] The Provisional Electoral Council [CEP] has sent us a press release, which says:

In view of the executive decree of 27 September 1987 calling for elections for 1) members of the Administrative Councils for the Communal Sections [CASEC's], 2) town councillors, and 3) people's deputies, senators of the Republic, and president of the Republic, the CEP announces that elections to those positions will be held nationwide and at all polling stations.

Elections for members of the CASEC's and for town councillors will take place on Sunday, 15 November 1987, between 0600 and 2200.

Elections for deputy, senator, and president of the Republic will take place on Sunday, 29 November 1987, between 0600 and 2200 hours.

The electoral campaign for candidates to all positions is declared open as of (?8) October 1987. The campaign for CASEC membership and town councillor ends on Saturday, 14 November 1987, at 0600. The campaign for legislative positions and president of the Republic will be suspended for Saturday and Sunday,14 and 15 November 1987, and will be resumed on Monday, 16 November, until Saturday, 28 November 1987 at 0600, the definitive end of the campaign period.

The CEP takes this opportunity to ask all interested parties to strictly observe during this period the prescriptions of Articles 79, 80, 80.1, 81, and 81.1 of the Electoral Law.

The note is dated 5 October 1987 and signed for the CEP by Pierre C. Labissiere, vice president; Marc A. Guerrier, secretary; Emmanuel Ambroise, member; Dr Charles Poisset Romain, member; Rev Alain Rocourt, treasurer; Philippe Jules, member; Carlo Dupiton, member; and Napoleon Eugene, member.

FNC Candidate Selected

FL070230 Port-au-Prince Radio Metropole in French 2200 GMT 5 Oct 87

[Text] We have been told that lawyer Gerard Gourgue was chosen as the presidential candidate of the National Concerted Action Front [FNC] during an important meeting held yesterday by the FNC at the Castel Haiti Hotel. The FNC is made up of the Group of 57 and other organizations from the provinces.

During the voting, which was described as democratic by a source close to the FNC, Mr Gourgue obtained 82 votes, as opposed to 72 for Mr Victor Benoit. The question of a discharge for Mr Gourgue as regards the handling of public monies was reportedly brought up by certain members of the FNC's assembly.

Four names were said to have been proposed by the FNC's secretariat to the representative of the Patriotic Unitarian Bloc [BIP] and to the civic associations: Victor Benoit, Gerard Gourgue, Joseph Augustin, and (Pauris Jean-Baptiste).

The FNC is made up of the Group of 57, socioprofessional associations, religious organizations, and the BIP. Thus, Gerard Gourgue has been chosen as the FNC's presidential candidate. This report will perhaps be confirmed within the next few hours.

Hilaire Declares Candidacy

PA071756 Paris AFP in Spanish 1612 GMT 6 Oct 87

[Text] Port-au-Prince, 6 Oct (AFP)—Former General Jean-Baptiste Hilaire, 59, former chief of staff of the Army during Jean-Claude Duvalier's presidency, told AFP here today that he will seek to become a presidential candidate for the 29 November elections in Haiti.

General Hilaire, upon becoming a candidate, hopes "to work according to his means and with all persons of goodwill in favor of a peaceful change in Haiti as long as there is still time."

A moderate person, born in the valley of Jacmel in the southeastern part of the country, General Jean-Baptiste Hilaire was a military man between 1950-78 during Jean-Claude Duvalier's presidency.

He was also foreign minister of the National Council of Government (CNG) following the overthrow of Duvalier on 25 March 1966 [as received], and he was thanked for the services rendered on 5 January 1987.

Presently, some 20 candidates have announced their intentions of running in the presidential election.

PDCH Selects Candidates

FL072102 Port-au-Prince Radio Nationale in Creole 1300 GMT 7 Oct 87

[Excerpts] The Haitian Christian Democratic Party [PDCH] held a special congress yesterday morning at Hotel Le Palace to choose party candidates for president, senator, and deputy in the November elections. [passage omitted]

Representatives of other political parties—such as Pastor Jean Charles Renelus, of the Jean-Jacques Dessalines Liberal Democratic Party [Parti Democrate Liberal Jean-Jacques Dessalines—PDLJJD] and Mr Max Dubois, of the National Haitian Unity Party [Parti Union Nationale d'Haiti—PUNH] also spoke at the congress. In their statements, they expressed their parties' firm intention to support Pastor Sylvio Claude's presidential candidacy.

Mr Max Dubois will be the PDCH candidate for senator for the Department of the Artibonite. [passage omitted]

Concluding the congress, Pastor Sylvio Claude made a speech thanking the various participating delegations.

Protestants Mobilize Followers for Change

FL070155 Port-au-Prince Radio Nationale in Creole 1300 GMT 6 Oct 87

[Text] Operation "Deliverance for Haiti" began last week. The Protestant Federation of Haiti thanks everyone who helped it publicize, nationwide, the launching of operation "Deliverance for Haiti."

The following is the activities schedule: The second phase is entitled "Respecting Others." It began yesterday, 5 October, and will end on Sunday, 18 October. The third phase will be entitled "Getting Rid of Corruption," and will begin on Monday, 19 October, and end on Sunday, 1 November. The fourth phase will be called "A Decent Life for All," and will last from 2 to 15 November. The fifth phase will be "Forward Toward Change." This phase will last approximately a week. It will be a week devoted to preparing a synthesis, to drawing a balance, to evaluating the operation. This phase will begin on 6 November and end on 22 November.

During every phase, Haiti's Christians will pray and reflect together. They will discuss the various (?themes) and present related problems that they have seen in the places where they live. They will then propose solutions to the problems raised.

Each discussion group will take notes so that they can prepare a synthesis of each theme to send to the central commission.

The announcement adds that the Federation asks each church to organize activities such as lectures, roundtables, and workshops, on the theme for each phase. It also asks that the topics be discussed during regular church services.

Each Sunday evening, the central commission is going to organize a special service to be broadcast over radio from a church in Port-au-Prince. The central commission will keep us informed of all activities scheduled to take place during a given week.

The note from the Protestant Federation of Haiti is signed by Daniel Charles, coordinator, and by (Jean Claude Serre), who is responsible for programs.

APN Decides To Boycott Elections

FL072136 Port-au-Prince Radio Soleil in Creole 1100 GMT 7 Oct 87

[Excerpt] The People's National Assembly [APN] held a news conference yesterday at approximately 1100 at its headquarters on Rue du Centre. The conference was held to inform national and world opinion of the decisions reached by the APN at its second assembly, which took place on 1 October at the Bamboulinos Hotel.

Three members of the APN's Coordinating Committee—Jean Robert Lalanne, Francois Pierre-Louis, and Frantz L. Jean—presented the results of a workshop. The APN declared that it is opposed to holding elections and has decided to boycott all the coming ones—from elections for communal section administrative councils on up to the one for president. The APN said it had decided to boycott the elections because the masses have no representative on the Provisional Electoral Council, which is to organize the elections and is made up of important leaders of the Catholic and Protestant churches, important industrialists, and so forth.

The APN resolution continues: There is no candidate worthy of representing the masses. In particular, the APN feels that elections under the existing National Government Council will not change anything in the country, because any president elected will be obliged to respect the American Plan for Haiti.

Therefore, the APN says, boycotting the elections is a first lesson it is going to give the Americans and all of their flunkies.

The APN is going to use a series of tactics and strategies to boycott the elections, such as painting anti-election slogans on walls, denouncing all macoute candidates, discouraging all candidates, disseminating tracts, issuing press releases, etc. [passage omitted]

New Planning, Budget Secretary Appointed

FL071232 Mexico City NOTIMEX in Spanish 0423 GMT 7 Oct 87

[Text] Mexico City, 6 Oct (NOTIMEX)—Mexican President Miguel de la Madrid last night appointed Pedro Aspe Armella as new secretary of planning and budget. He is replacing Carlos Salinas de Gortari.

The president's social communications directorate reported that Aspe Armella was in charge of the secretariat after the ruling PRI nominated Salinas de Gortari as presidential precandidate.

The new secretary of planning and budget, who was the secretariat's under secretary of planning and budget control, has worked in the federal government, the PRI, and in the Autonomous Technological Institute of Mexico, ITAM.

PMS Criticizes Soviet Ambassadors' Remarks

PA072008 Hamburg DPA in Spanish 2237 GMT 6 Oct 87

[Text] Mexico City, 6 Oct (DPA)—Today, the Mexican Socialist Party, PMS, charged Soviet Ambassador Rostislav Sergeyev of being an interventionist because he made a statement supporting the ruling party's presidential candidate, Carlos Salinas de Gortari.

Yesterday, the diplomat said that with the designation of Salinas de Gortari, "the ruling party guarantees a 100-percent triumph in the coming elections, which means that the political line established by Miguel de la Madrid will be continued."

"The PMS rejects meddling by any representative from any country in Mexican political affairs," said this left-wing organization that is promoting engineer Heberto Castillo as its candidate.

"It is a remark expressed to the press in a most unusual manner," which "by virtue of its propagandistic nature is most inappropriate coming from the representative of a foreign country."

BRIEFS

Nonoil Exports Increase

Foreign Trade Bank Director Alfredo Phillips Olmedo has said that Mexico's nonoil, manufactured exports increased by 47 percent this year and that general sales increased by 24 percent. He added that oil and nonoil exports have been valued at $20 billion so far this year. [Summary] *[Mexico City EL NACIONAL in Spanish 27 Sep 87 p 12 PA]*

Important Oil Fields

Pemex officials have disclosed that the Sonda de Campeche oil fields have become the country's most important, with a yield of 170,000 barrels of heavy crude and 503,000 of light crude a day, representing 66 percent of the hydrocarbon production. At a news conference, Pemex technicians reported that the Sonda, located some 80 km into the sea, with an area of 700 square km, is the most important in the world. Up to December 1986, it has produced 1.554 million barrels a day, in addition to more than 867 million cubic feet of natural gas a day. [Summary] *[Mexico City EXCELSIOR in Spanish 28 Sep 87 pp 5, 33 PA]*

Communications Improved

By the end of 1988, the Service for Navigation in Mexican Airspace [SENEAM] will have 18 ground stations via satellite, SENEAM Director General Roberto Kobeh Gonzalez said. He explained that the system currently has stations in Hermosillo, Sonora, Monterrey, and Nuevo Leon; and in Mazatlan and Los Mochis, in Sinaloa. In December, he added, nine more stations will be installed at the control centers in Mexico City, Mazatlan, Monterrey, and Merida. The program to install ground stations in Hermosillo, Mazatlan, Los Mochis, and Monterrey has already begun as a priority. To regulate air navigation in Mexico, SENEAM will provide telecommunications service to the airlines, through the radiotelephone system. He explained that to feed the radar signal of the new Mazatlan control center, three long-range radars have been installed. In addition, a communications system has been established between Mexico City-Cerro Gordo-Perote. [Summary] *[Mexico City EL NACIONAL in Spanish 30 Sep 87 p 12 PA]*

Costa Rica

Arias Favors U.S.-USSR Nicaragua Discussion

PA070454 San Jose LA NACION in Spanish 28 Sep 87 pp 1, 4-A

[Text] Arriving in Costa Rica yesterday after a private 8-day tour of the United States, President Oscar Arias said that if the United States and the USSR can discuss nuclear disarmament, they should take advantage of the occasion to also discuss the Nicaraguan case. He said that such a dialogue should take place if the United States is not willing to talk with the Sandinists about its concerns regarding national security, democratization, disarmament, and free elections.

"This is not a suggestion but an opinion," Arias said. LA NACION has been informed that on various occasions the Soviets have proposed such a discussion to the United States, but the latter has refused.

Legislative Assembly President Fernando Volio J. yesterday justified the president's peace efforts, but he pointed out that after this tour "we need the president to dedicate his talents, energy, and enthusiasm to the promotion of national interests."

President Arias yesterday spoke in favor of the United States and the USSR negotiating their differences over Nicaragua, just as they have negotiated nuclear disarmament.

Arias said this upon arriving in Costa Rica at 1545 on a LACSA flight from the United States, where during a private 8-day visit he promoted the Guatemala peace agreements.

LA NACION has been informed by other sources that the Reagan administration has received various offers from the Soviets to discuss the Nicaraguan issue but has rejected all of them, claiming the issue is "not negotiable."

The Costa Rican president also announced he will speak with Honduran President Jose Azcona Hoyo to request Honduras create a national reconciliation commission, which it does not want to do, although the commission's formation is stipulated in the peace agreement.

The president got off the plane with his children Silvia Eugenia and Oscar Felipe. Almost all the president's cabinet members were at the airport, and they greeted him with applause.

Arias held a news conference and met later with his cabinet members at his private home in Rohrmoser. His wife Margarita remained in Miami to take care of private matters, according to reports.

Meanwhile, Foreign Minister Rodrigo Madrigal Nieto remained in New York to meet with his regional colleagues and to participate in the 42d UN General Assembly.

"I am very pleased with the results," the president said, rejecting reports that his statement in favor of suspending aid to the anti-Sandinists could cause a confrontation between Costa Rica and the United States. Arias denied U.S. economic aid to Costa Rica could be reduced as a result of his statement, and he said that "a friendly government will never retaliate because we preach peace."

He insisted that an economic aid plan for Central America is necessary, adding that the Republicans as well as the Democrats will approve a bill to this effect proposed by Democratic Senator Terry Sanford, which has been called the "Marshall Plan for Central America."

President Arias said the United States and Nicaraguan Governments should sit down together and directly negotiate their bilateral problems, such as national security, disarmament, free elections, and democratization.

In response to Reagan's refusal to hold such a meeting, the president said a dialogue should be held with the Soviets, adding that if the two powers talk about nuclear disarmament they should also discuss a "less important" issue such as Nicaragua.

"This is not a suggestion; it is an opinion, [no closing quotation mark as published] Arias said, adding that it is evident that the East-West conflict affects the region.

Madrigal Calls for Permanent Regional Talks

PA071551 San Jose Radio Reloj in Spanish 0100 GMT 6 Oct 87

[Text] Foreign Minister Rodrigo Madrigal Nieto has called for permanent regional negotiation. The chief of Costa Rican diplomacy—who returned this afternoon from the United States, where he held talks with representatives of various governments—believes that the wisest thing to do until 7 November is to maintain permanent negotiations. He said that although it is true that great efforts must be made so all the commitments established by the peace plan will be fulfilled by 7 November, it might be necessary to hold specific negotiations so some country can propose a new way of complying with the Guatemala agreements.

Foreign Minister Madrigal Nieto thinks that everything that occurs from now on should be the object of much negotiation and talks, so nothing will harm or deteriorate the Guatemala plan. Madrigal Nieto said that because of the delicate issues included in the Guatemala plan, it might be affected by some decisions that could break the countries' determination to comply with the commitments. The foreign minister reiterated that this is another reason why much negotiation will be needed until 7 November to make sure that the Guatemala agreements will be fulfilled.

Foreign Minister Madrigal Nieto said that the amnesty and the simultaneity aspects are basic for the fulfillment of the peace plan. In this regard, he said that the two subcommissions in charge of these two aspects are very important because the ability to determine the way that such complex actions as those established by the Guatemala plan are simultaneously fulfilled is fundamental. Madrigal Nieto said that although Nicaragua has yet to issue an amnesty decree, this requirement has also yet to be fulfilled by Guatemala, El Salvador, and Honduras. Therefore, this cannot yet be considered as a violation of the peace plan.

Although Honduras' view is considered to be reasonable, the Costa Rican Government has urged the Honduran Government to form a national reconciliation commission because the peace plan does not make any exceptions for any country. Foreign Minister Madrigal Nieto said that Honduras maintains the position that it has made a great effort and that it has been complying with all the requirements established by the Guatemala document. The foreign minister said that after being urged by Costa Rica—which has also formed such a commission—the Honduran Government hinted in the last few hours that it might establish the national reconciliation commission.

Guatemala

Government-Rebel Talks Begin in Madrid

AU080822 Paris AFP in English 0128 GMT 8 Oct 87

[Text] Madrid, Oct 7 (AFP)—Guatemalan officials and representatives of the country's four main rebel groups met here Wednesday for the first time since armed insurgency erupted in their country in 1961, but the rebel leaders quickly expressed pessimism over the outcome of the talks.

A declaration by the rebel Guatemalan National Revolutionary Union (URNG) attacked a statement released prior to the talks by President Vincio Cerezo's office which insisted the rebels abide by a cease-fire and accept an amnesty plan put forward previously by the Guatemalan Congress.

The government said its demands were in line with the requirements of a Central American peace plan signed last August by five regional presidents.

The URNG statement said the government proposal was "incomprehensible" and precluded the negotiations due to have been the purpose for Wednesday's meeting here.

However, in a joint statement released after five hours of talks Wednesday, both sides indicated the meetings would continue Thursday.

The government delegation was headed by Chamber of Deputies Vice President Roberto Valle Baldizan and by Christian Democrat member of parliament Alfonso Alonso Barillas. Four "military advisers" were also part of the delegation, the joint statement said.

The URNG delegation was headed by Commander Rodrigo Asturias and comprised URNG leaders Luis Pecker Guzman and Miguel Angel Sandoval and several "other advisers."

Both sides decided last week to observe a cease-fire until the talks in Madrid are over.

Nation 'Paralyzed' Over Tax Reform Strike

PA072248 Panama City ACAN in Spanish 2101 GMT 7 Oct 87

[Excerpts] Guatemala City, 7 Oct (ACAN-EFE)—Guatemala was paralyzed today when an indefinite general strike was called by the business sector in protest to tax reforms announced by Vinicio Cerezo's government.

According to the call made by the Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations (CACIF), the strike has taken place all over the country since 0000 hours (0600 GMT) and will continue "until the government backs down on its wild tax draft."

ACAN-EFE phone contacts to the country's interior indicate that, except for public offices, "there is a general paralysis," even in private schools. This is also the case in Guatemala City.

In this city, even street vendors are absent, including those working in the small newspaper, candy, and cigarette stands located in popular gathering places.

There is also no bus service going outside the city, city buses are down to a minimum, and transportation is expected to be fully paralyzed by midday [as received], when fuel supplies run out.

The only refinery in the country, Refineria del Pacifico, joined the strike and announced that it will not deliver any fuel "until the CACIF goals are met.

These goals are that the government back down on its intention to implement tax reform laws already approved by the National Congress and start negotiating with the private sector. [passage omitted]

The city this morning seemed deserted as business and industry ordered their workers not to go to work until told otherwise.

The Army and the police announced last night that they had ready a "citizens defense plan," but they have few members on the street. It is known, however, that all

troops have been placed on alert. The picture is completed by radio and television stations not making any commercial announcements and newspapers circulating with few pages and without any color pictures.

It has been said that this is the way that the media is participating in the strike. The media is, however, keeping the information flowing so there cannot be "misinformation" directed against the people.

Nicaragua

Ortega Orders Suspension of Military Actions

PA071420 Panama City ACAN in Spanish 0613 GMT 7 Oct 87

[Excerpts] Managua, 7 Oct (ACAN-EFE)—The Nicaraguan Army's high command at dawn today ordered its troops to suspend offensive military activity within a 1,450-square-km area, which includes territories in northern and south Atlantic areas of Nicaragua.

The unilateral measure decreed by the Sandinist government on 30 September took force today at 0000 local time (0600 GMT) and will be in effect until 7 November in Jinotega and Nueva Segovia Departments, which border with Honduras, and in the south Atlantic area of Nueva Guinea.

According to the government order, troops must begin gathering in outlying points within 600 square km in Nueva Segovia, 450 in Jinotega, and 400 in Nueva Guinea.

With this cease-fire, the Managua government aims to facilitate the mobilization of National Reconciliation Commission representatives in troop-free territories and allow them to explore the contras' willingness to accept a suspension of the hostilities.

A National Reconciliaton Commission delegation this week will travel to two areas in northern Nicaragua that were declared cease-fire areas in an attempt to contact the contras and convince them to take advantage of the amnesty.

The belligerent forces, which are financed and led by the U.S. Government, have not accepted this unilateral cease-fire decreed by the Sandinists, claiming that it is a "surrender they cannot accept."

The contras have threatened to capture commission representatives found in areas designated as cease-fire areas by the Sandinists.

The truce begins at a time when armed clashes between government forces and the rebels have intensified in the past weeks. [passage omitted]

President Daniel Ortega pointed out that should this cease-fire that starts today yield the expected results, the suspension of offensive actions could be extended beyond 7 November and even include other areas within the national territory.

However, the Sandinist leader said that if concentrated Sandinist troops are attacked by the belligerent forces, they reserve the right to reply to such aggressions "through all means."

Ortega added that forces organized in Sandinist militias will not be withdrawn from the 1,450-square-km area where the cease-fire will take place because they will remain to protect civilians and cooperatives.

D. Ortega Leads Delegation to UN

PA071550 Managua BARRICADA in Spanish 6 Oct 87 p 5

[Communique No 12 from the Information and Press Directorate of the Presidency of the Republic, issued in Managua on 5 October]

[Text] Communique No 12 [subhead]

The Information and Press Directorate of the Presidency of the Republic reports the following to the Nicaraguan people:

Commander of the Revolution Daniel Ortega, president of the Republic and coordinator of the FSLN National Directorate, left with a top-level official delegation of the revolutionary government for New York, site of the United Nations headquarters.

President Ortega has been invited to attend the 42d UN General Assembly, and he will address the plenum on behalf of Nicaragua on Thursday, 8 October.

During his visit to the UN, President Ortega will meet with other heads of state participating in the world organization's session.

The Nicaraguan Government's delegation is comprised of Father Miguel D'Escoto, minister of foreign relations; Alejandro Martinez Cuenca, minister of foreign trade; Herty Lewites, director of the Nicaraguan Institute of Tourism; Manuel Espinoza, minister of information and press; Comrade Rosario Murillo, secretary general of the ASTC [Sandinist Cultural Workers Association]; Alejandro Bendana, secretary general of the MINEX [Ministry of Foreign Relations]; and Carlos Jose Guadamuz, director of the radio station La Voz de Nicaragua.

Managua, 5 October 1987

"No One Surrenders Here"

Information and Press Directorate, Presidency of the Republic

Raps Contra Aid Request

PA080453 Managua Domestic Service in Spanish 0300 GMT 8 Oct 87

[Report by Carlos Guadamuz Portillo, "special reporter" for the "Voice of Nicaragua"]

[Text] Nicaraguan President Daniel Ortega Saavedra has recommended that his U.S. counterpart, Ronald Reagan, read the Esquipulas II peace agreement so he can see that his proposal to finance the contras goes against the peace plan.

After a 45-minute meeting with UN Secretary General Javier Perez de Cuellar, the Nicaraguan president held talks with reporters and gave them a detailed account of what our country has done to comply with the Esquipulas II agreements. In addition, he pointed to the mistakes made by the White House's executive branch.

[Begin recording] [Ortega, in progress] ...Nicaragua and Central America because Central America is bleeding to death, and it is time to put a stop to this war. It is time for the United States to respect the agreements signed by the Central American presidents.

[Reporter] President Reagan said today the Sandinist regime [words indistinct].

[Ortega] That is not included in the Esquipulas accords. He has to abide by the Esquipulas accords.

[Reporter] The reforms are a farce, and the Guatemala accord was signed because of the contras' pressure.

[Ortega] What he must do is to respect the Guatemala accords. He must realize that the accords were only possible because the contras are defeated. If the contras had not been defeated, if President Reagan's policy had not been defeated, no Guatemala accords would have been possible.

[Reporter] What about the $270 million the contras are going to get?

[Ortega] That is disrespectful of the Guatemala accords. He must respect the will of the Central American presidents. He must let us work in peace. [end recording]

Reagan 'Insists' on War Policy in OAS Speech

PA071831 Managua Domestic Service in Spanish 1818 GMT 7 Oct 87

[Text] Washington—The U.S. President reaffirmed that he plans to continue violating international laws when he announced that he will request $270 million to finance the Somozist bands. Speaking to the ambassadors of the continent's countries in the OAS, Ronald Reagan insisted on his policy of war against the Nicaraguan people. The White House chief argued that military pressure is the only thing that will force the Nicaraguan Government to comply with Esquipulas II, thus rejecting any peaceful solution.

CDN Communique Criticizes FSLN on Dialogue

PA071725 Managua Radio Noticias in Spanish 1236 GMT 7 Oct 87

[Text] The Ramiro Sacaza Guerrero Nicaraguan Democratic Coordinating Board [CDN] has stated that the government is not fulfilling the letter or spirit of the Esquipulas agreements concerning a national dialogue. Dr Roger Guevara Mena sent us the text of the CDN's statement.

The CDN issues the following communique to the Nicaraguan people and the international community:

1. The CDN has been demanding a national dialogue from the Sandinist government since 1983 because it is necessary to seek a civic and political solution to the national crisis afflicting the Nicaraguan people.

2. We believe that the call for a national dialogue issued by the Sandinist government does not follow the Esquipulas II agreements' letter or spirit because the government has denied the right of important unarmed internal opposition groups to participate in the dialogue, making it necessary to redefine who may participate.

3. We believe the dialogue should have a fixed term, not extending beyond 7 November 1987, and the Sandinist government's representative should not preside over this dialogue—he would be acting as judge and jury. Instead, the Presidency should be assigned to a member of the Episcopal Conference of Nicaragua to ensure impartial participation.

4. We believe the discussions and agreements reached during the dialogue should not be restricted to the contents of the Esquipulas II agreement because this precludes the opportunity of discussing basic issues concerning our national crisis, in which the Sandinist government is the main culprit.

5. We demand that the Sandinist government allow an adequate internal atmosphere for the dialogue to become effective and accepted by the Nicaraguan people. We demand that the government lift the emergency law and any other decree or regulation that directly or indirectly limits the free exercise of the Nicaraguan people's rights and the exercise of a real political pluralism.

6. We reassert our readiness to participate in the dialogue, but we warn the Sandinist government that its interpretation and alleged fulfillment of the agreements do not correspond to the Esquipulas II agreement's letter or spirit, so we will hold the government responsible if the national dialogue fails.

[Signed] Nicaraguan Democratic Coordinating Board, CDN

Antigovernment Demonstration in Masaya

PA070434 Panama City ACAN in Spanish 2258 GMT 4 Oct 87

[Text] Masaya, Nicaragua, 4 Oct (ACAN-EFE)—On the day before the national dialogue between the opposition and the Sandinists is to begin, a dissident rightist sector today staged an uneventful demonstration in this city, 30 km from Managua.

About 20,000 people rallied in a movie theater. With police authorization, they later marched to the Catholic Church of the Salesian Order in the predominantly Indian neighborhood of Monimbo.

An open-air meeting was held in front of the church. During this rally, Nicaraguan Democratic Coordinating Board, CDN, leaders said that this dissident bloc "might" attend the "conditioned" dialogue convened by the FSLN.

Political sources said that Nicaraguan President Daniel Ortega will open the national dialogue tomorrow at 0900 (1500 GMT).

Carlos Huembes, CDN president, said: "We should not entertain much hope and think that the FSLN will act frankly and sincerely." The CDN was organized in May 1981.

He added: "We should always remember that the FSLN is deceitful in all its activities and that it tries to double-deal all the time."

The CDN leader warned the Sandinists: "If we attend the dialogue, it will be to struggle for the release of all political prisoners and out of respect for the Catholic Church."

He said they will also struggle during the negotiations for respect for human rights. For this reason, he called on the opposition to keep "alert."

The opposition leader said: "It is unpleasant to oppose the fury of the powerful who have rifles, yet we must stand in front of them, shout naked truths to their faces, and engage in a civic struggle to recover the people's rights."

He added that the CDN—formed by six parties, two workers' federations, and six businessmen's organizations, which did not participate in the 1984 elections—"will not allow a single Nicaraguan to stay away from the country and fail to get his rights back."

Social Christian Party President Erick Ramirez also spoke during the antigovernment meeting. He called for the opposition "to eradicate the terror that Sandinists inspire."

He also demanded a lifting of the national state of emergency established by the Sandinists 6 years ago when the armed opposition destroyed key bridges in the north and northwest of Nicaragua.

According to Ramirez, the Nicaraguan people "are strong enough to confront the Sandinists in the civic struggle and to say in honest elections: yes to democracy; no to the dictatorship."

The 11 legally registered political parties, which have been invited to participate in the national dialogue stipulated in the Esquipulas II accords, do not appear to share each other's views.

In its list of delegates to the dialogue, the CDN has even included representatives of parties that are not legally registered.

Panama

Delvalle on 'Severe Damage' to Economy

PA080220 Panama City Domestic Service in Spanish 0001 GMT 8 Oct 87

[Speech to the nation by President Eric Arturo Delvalle from the Presidential Palace in Panama City—live or recorded]

[Text] Fellow citizens: Ever since the grave incidents that still prevail in our nation began, the country's traditional social peace and economic development, which had been favorable, suffered a serious setback that threatens to shake the Republic's foundations and could, without excluding any sector, irreversibly change the country's usual tranquillity and the very essence of its way of life.

The severe damage done to the economy in general, and thus to the state's estimated revenues, has forced us to thoroughly analyze and adopt unavoidable measures that, as forceful as they may seem, are a result of the lack of any other alternatives.

This decision is a responsibility that I have to assume as chief of state. However, my government did not do anything that caused these circumstances.

Early in July there was no problem that did not have a feasible solution. Despite normal political differences there was optimism in the country until actions, planned and carried out by antigovernment sectors protected by the so-called Civic Crusade and encouraged by agents of U.S. radicalism, in open collusion with discredited figures of our political life, began to take place.

As a result of these groups' actions and their national and international campaign against our country, trust in Panama declined, and this affected the banking center and reduced its ability to continue its policy of development to benefit Panama's economy.

In addition, these actions have resulted in a decline in investments with the subsequent economic standstill that will in turn result in an increase in unemployment and a reduction in the economic growth that has occurred since 1985, prior to which there were several years without economic growth.

By the end of the first half of 1987, most businesses in the country had profits that were larger than those for the same period in 1986. In many cases, they had their largest profits in history.

Have not those who have led the actions against the state realized that these actions have become detrimental to our tranquillity and well-being and that, in the end, they will be the ones most affected? Do those who act in this way feel that they are a privileged group who, by a mandate from God, have become arbiters to impose morality, administer justice, and run the nation?

The truth is that Panama will not find its destiny, resolve its problems, return to a climate of peace, or go back to the path of development and progress as long as there are plans that must conform to the whims of a specific sector and the vested interests of another nation. Although this nation has been a friend and neighbor until now, a nation with which we share important interests, it is also true that this nation has certain interests that are not in line with our nationalistic feelings. There are interests that this nation is trying to further through any means, including taking advantage of Panamanian citizens in the ignoble and unpatriotic task of using them as agents.

Current circumstances require a national sacrifice. Yesterday's lack of concern has become today's crisis and tomorrow's possible tragedy. If we do not act in time to counteract the negative effects caused to the country, we will all repent in the near future.

The plan agreed to at the general cabinet meeting imposes limitations and austerity measures. However, we are aware that the country must endure and that the economy needs the biggest boost possible.

For this reason, given the current situation and existing possibilities we have designed an investment program to revitalize our economy, to prevent an even greater percentage of unemployment, and to give impetus to development alternatives that go beyond traditional ones. We talk today about reductions, lack of credit, and restlessness in order to return to the path of national peace and progress and to be able to once again speak of recovery, growth, prosperity, and peace; these results should only require the sincere and honest effort on the part of all Panamanians and the respect which the United States owes Panama.

From the very first moments of the current crisis my government has made countless calls to hold a dialogue for national reconciliation in which everyone would participate in order to seek just and reasonable solutions—a dialogue that would put an end to the conflict that threatens the country's tranquillity and prosperity, and one that is without resentment and that is not at the expense of each group's right to express its own opinion.

But the enemies of the Republic, consciously or unconsciously, those who are driven by shameful ambitions, those who do not want serenity to prevail over hatred, those who desire to achieve power by any means—even against the fatherland itself—have not wanted to heed those calls, because they are blinded by their own uncontrollable passions.

In such people dark personal and political interests prevail over the most lofty and noble nationalistic feelings and so, in postures lacking the most elemental patriotism, they have continued their overt destabilization actions and conspiracies against the legally established authorities. Such events clearly show that they have misinterpreted our calls for peace and understanding among all Panamanians as a sign of weakness on our part that prompts them to carry out their objectives.

However, they are completely in error because we will not allow one more act against the fundamental principles of the Republic; nor will we permit any more violations of the juridical norms of peaceful coexistence; nor will we, for any reason whatsoever, tolerate actions aimed at lessening the authority of the democratic government, which I represent in the name of the nation. We will not allow any more abuses against third parties that do not share the ideas of those anarchists, and we will punish with all the rigor allowed by law all those who engage in any type of subversive action, no matter what pretext is used.

At this significant time in our history, my government—unanimously and decisively—expressed clearly and precisely at the General Council of State held today that it is firmly determined to defend the Republic by strictly applying the tenets of the Constitution and laws to maintain public order and respect for the nation's essential institutions against those who are trying to mire it in shame.

From now on, to anybody who insists on making a mockery of the established norms or order, let him know that there will be no more leniency and that they are to be punished with the full rigor of the law.

On 1 September, on the occasion of the beginning of the new legislative period, I said before the National Assembly, and I reiterate now, that all freedoms are lost when

there is disorder. Today we have committed ourselves to restoring order with the strength of the law on my side and with my own democratic convictions. In that framework of respect and obedience to the law, all the democratic freedoms are viable and must be exercised without abuse and with the legal principles that established the law clearly in mind.

Among these freedoms, one of the most sacred is the freedom of expression. In order for freedom of expression to survive and to be exercised in an atmosphere of respect and order, I will submit tomorrow for the consideration of the Legislative Assembly, and for the most urgent discussion, a draft bill modifying the Press Law, adding certain concepts that our law is lacking and that exist in other democratic countries. I am sure that as soon that bill becomes law, which I hope will be within a few days, the authorities in charge of this function will be able to normalize the operation of the media.

Despite opinions to the contrary, my government, in its selfless interests, will continue to work toward perfecting the democratic system, which will culminate in the handing over of power in 1989 to those who are elected by the national majorities in absolutely free and honest elections. The Republic will be neither the victim of a coup nor of those who see it as an instrument to satisfy their political ambitions.

I have always said that Panama and we Panamanians will fulfill our great destiny when we come face to face with the great responsibility of operating, maintaining, and defending for the world our interoceanic waterway.

Throughout my life, and right now more than ever, I have had faith in the good sense and civic-mindedness of the Panamanian people, in its mettle during difficult times, in its natural disposition to fight for its freedom, and in its habitual inclination to cordiality—during these significant times in our nation's history. I have full trust and confidence that we will successfully overcome the difficult situation we are facing, and that we will again place the nation on the road of fraternity, welfare, and progress. Thank you.

Delvalle on Relations With U.S., 'Crisis'

PA062148 Panama City CRITICA in Spanish 1 Oct 87 p 8

[Interview with President Eric Arturo Delvalle by reporter Jacobo Zabludosky of the Mexican television program "24 Horas"; date and place not given]

[Text] [Zabludosky] Your government has reported that the United States violated Panama's sovereignty. What is the nature of this violation and its consequences?

[Delvalle] Last week, a number of soldiers left a base located in territory not yet reverted to Panama according to the 1977 treaties and headed for the U.S. Embassy in Panama City without prior notification to the Panamanian Government. We regarded this as an open violation of our sovereignty and reported it accordingly. Similarly, a few days ago a U.S. helicopter violated Panamanian airspace without authorization. The aircraft's pilot disregarded the Panamanian Government's calls through the Civil Aeronautics Directorate's control towers. We also reported this. We regard these two incidents as flagrant violations of our sovereignty.

[Zabludosky] Mr President, for the past few months we have constantly been receiving dispatches and news from all the world's news services about violence, political instability, and discontent with the Panamanian Government. What is the true situation and the origin of all this?

[Delvalle] I would say all this originated with some remarks by a retired colonel of the Panama Defense Forces [FDP]. Because of resentment against our military sector and for personal reasons, this colonel endorsed views that the Panamanian opposition had been advocating in recent years. As a result of this , the opposition and leading Panamanian businessmen—aided by foreigners, particularly Americans—have been paving the way for a coup to change the country's republican institutions. Contrary to all that has been said, Panama's economy has improved greatly. In 1986, Panama was perhaps one of three countries, including Brazil and Colombia, with economic growth greater than that of 1980. In 1987, prior to the crisis, our economy appeared to be even better than in 1986. So this situation has occurred amid an economic boom. The opposition has not been able to attain its objective.

[Zabludosky] In this crisis, as you call it, there is flight of capital. Is this flight significant?

[Delvalle] Sure. Undoubtedly, the Panamanian banks, managed responsibly and professionally, succeeded in braving a destabilizing attempt by Panamanians and by news agencies that have spread false information about Panama. These news agencies have tried to destabilize the Panamanian banking system. Thank God, we have survived this difficult stage. The Panamanian banks and the foreign banks established in Panama have succeeded in overcoming this situation. I would say the capital that has fled will soon begin to return because Panama is well known as a banking and financial center that offers better opportunities to depositors than other banks elsewhere in the world.

[Zabludovsky] Mr President, Latin American history shows that our region is full of coups d'etat and carcelasos, as we call the Army's violent attitudes here in Mexico. Mr President, do you feel Panama's Army safeguards the democratic institutions, or is it a threat to your government?

[Delvalle] On the contrary, I feel the Panama Defense Forces comprise a Panamanian military organization that guarantees and safeguards the Panamanian Constitution and laws. It guarantees the democracy General Torrijos offered. The FDP officers have repeatedly and publicly promised to implement this democracy. We feel that we are a military government in transition and that we are leading this country to a complete democracy, which all Panamanians and the FDP want.

[Zabludosky] Mr President, what is the status of Panama's relations with the United States? Have they deteriorated because of certain U.S. officials' attacks against General Noriega?

[Delvalle] Undoubtedly, relations between Panama and the United States have deteriorated in recent months. Panama feels the United States has been involved with or encouraging the Panamanian opposition in its crazy attempts. In addition, the U.S. media has made all kinds of attacks against us. I think you are already familiar with this practice in Mexico. History is repeating itself with us. I think there are three or four possible reasons for them to have taken such a position. One of these reasons is our participation, together with Mexico, in the Central American peace process through the Contadora Group. These reasons include the U.S. desire not to comply with the treaty and the Contadora pact. There is also the possibility the United States wants to exert economic and other pressures to get Panama to agree to allow the U.S. bases to remain after the Torrijos-Carter Treaties expire.

[Zabludosky] Mr President, I had the pleasure of being very close to Gen Omar Torrijos in his efforts to recover the canal, and I was present when he hoisted the Panamanian flag near the canal. This treaty-signing celebration with the United States, which had taken decades to happen, united Panamanians. In view of what is happening, Mr President, do you believe Panama will have absolute control of the canal on 31 December 1999 as prescribed in the treaties?

[Delvalle] Definitely. Panama will ensure compliance with the treaties. I am convinced that, if necessary, the last Panamanian will die in the canal to make sure those treaties are implemented. I am also sure Panama will have Central America's and the free world's support because they know that Panama negotiated in good faith, that it signed a treaty, and that it is duly complying with this treaty. Therefore, I am convinced that as much as the United States wants to change the treaties, it must abide by them. Latin America and the free world support Panama.

'Arrogant' Attitude of AID Officials Rapped

PA072328 Panama City MATUTINO in Spanish 7 Oct 87 p 4

[Text] Various Panamanian Government officials have termed "petty" the arrogant attitude of the U.S. Agency for International Development, AID, which has removed office equipment, water fountains, and vehicles from various government offices.

This equipment, including computers, was donated or loaned to ministries such as the Planning and Economic Policy Ministry, MIDA [Ministry of Agriculture and Livestock Development], IDIAP [Institute of Agricultural-Livestock Research], and others.

Spokesmen for several offices said that AID-hired employees arrived at these offices last week and disconnected water fountains and removed desks, chairs, computers, and typewriters. They also removed many vehicles.

Several political committees at the affected offices, as well as at other agencies that have received the famous AID "donations," are on alert and have told MATUTINO that they will not allow these abuses to continue because, in addition to being humiliating, they make the economic aggression against our nation more evident.

Many officials told this newspaper that if this aggression continues they will use force against the AID-hired employees who remove the equipment from state offices.

In addition, a strong movement is underway to demand that the Panamanian Foreign Ministry withdraw the diplomatic privileges given to AID officials in Panama. These privileges include the duty-free import of vehicles, liquor, electrical appliances, and furniture.

Extradition of Lewis Galindo Sought

PA071918 Panama City CRITICA in Spanish 5 Oct 87 pp 1, 24

[Article by Chicho Donato]

[Text] Our country has requested the extradition of traitor Gabriel Lewis Galindo by the U.S. Government. The Panamanian Government's action is based on Article No 2128 of the Judicial Code, which reads as follows: "Any person summoned by an investigating judge as witness or expert must appear to give a statement or do whatever is required of him. If he fails to do so or if he refuses to give a statement without legal excuse, he shall be deprived of his liberty."

Prosecutor Ana I. Belfon V., First District Court, has sent a letter to Foreign Minister Jorge Abadia Arias to notify traitor and fugitive from justice Gabriel Lewis Galindo through the Panamanian Consulate in Washington that he must give a statement to this government regarding a legal investigation.

As the Panamanian people know, Gabriel Lewis Galindo was the organizer of the Modelo group, which tried to destabilize the country. In addition, the Legislative Assembly has declared him a traitor to the fatherland because of his activities against Panama.

Traitor Gabriel Lewis Galindo is accused of crimes against the state. He can be found in the United States through the Civic Crusade. The address of its main

offices in Washington is National Civic Crusade for Panama, 1730 M Street, N.W., Suite 605, Washington, D.C. 20036, U.S.A. Telephone: (202) 429-2267. Fax No.: (202) 3318577.

Our country has requested the extradition of traitor Gabriel Lewis Galindo based on international law because the person in question has acted against the institutions established in the national Constitution.

Bernal Planning To Leave for U.S.
PA071437 Paris AFP in Spanish 0540 GMT 7 Oct 87

[Text] Panama City, 6 October (AFP)—A reliable source has disclosed that Panamanian opposition leader newsman Miguel Antonio Bernal is hiding in the country. However, he is planning to travel to the United States soon.

Bernal had to go into hiding on Friday after Panamanian authorities raided his home in Panama City, said the source, who declined to be identified.

On 2 October, prosecutor Luis Felipe Munoz issued an arrest warrant for Bernal for allegedly "inciting to armed insurrection" during his 9 June remarks on opposition Radio Continente, which is one of the radio stations ordered closed in Panama.

In addition, Presidency Minister Nander Pitty Velasquez has sued him for slander and libel.

Bernal has a doctorate in law and political science from the Sorbonne and Bordeaux Universities. He is presently Panama's correspondent for *Vision* magazine and *Le Monde Diplomatique* newspaper.

A former Trotskyite leader, he has been a member of the People's Action Party since 1979. He has become one of the chief leaders of that party, which has a social democratic tendency.

Bernal was deported to Mexico in 1975 for expressing his antimilitaristic stance in *Dialogo Social* magazine, where he worked as chief editor.

Then, on 14 December 1979, he participated in a protest against the presence of the shah of Iran in Panama. The authorities violently repressed the protest, and Bernal had to be hospitalized.

The source said that the opposition leader—who has actively participated in the political unrest that the country has been experiencing for several months—will leave on Saturday for the United States. He will participate in a program sponsored by different U.S. universities as a visiting professor.

The source also expressed the hope that on this occasion Panamanian authorities will allow Miguel Antonio Bernal to leave the country.

Official, Legislator on U.S. Actions
PA071450 Panama City Panavision Television in Spanish 2330 GMT 4 Oct 87

["Continuation" of "History's Witnesses" program with moderator Eduardo Herrera Cedeno and Deputy Foreign Minister Jose Maria Cabrera, National Assembly Legislator Luis Navas, and former National University Rector Eligio Salas]

[Excerpts] [Passage omitted] [Navas] In order to avoid dismissing thousands of public employees, we had to more or less accept some U.S. impositions through three laws that our people called the three-in-one law: an amendment to industrial and farming laws and one to the labor code. We paid a price for that. With those impositions, the United States was leading us to a confrontation with the enterprise sector, which had consolidated during the Torrijist process, especially the industrial sector.

They wanted the government to be in conflict with the farming sector, which also developed during Torrijos' time, and with the labor sector, which provided the basic support for the Torrijist movement. Once those relations were weakened, conditions were ready for them to impose their model. Let me tell you that a U.S. envoy arrived in our country to talk with Panamanian businessmen, who initially nourished the Panamanian society's rebellion against the U.S. impositions. That envoy read them the U.S. conditions, which included Panama's withdrawal from the Contadora Group, General Manuel A. Noriega's end of support for the Contadora Group's efforts, his withdrawal from the Panama Defense Forces, and the implementation in Panama of a U.S.-made [preceding word in English] model of democracy.

Those suggestions, those sort of requirements presented by that envoy to our businessmen, were not fulfilled thanks to the maturity displayed by the political forces that were facing the problem at the time. Of course, we paid a price. Relations with the labor and enterprise sectors deteriorated, and our relations with the farming sector were, of course, affectd a little.

That action was to weaken the Panamanian economy further and lead us to an economic collapse. The United States would then present the idea that it was necessary to negotiate a treaty of military bases similar to that of Spain. In other words, they wanted Panama to give up the fulfillment of the Torrijos-Carter Treaties, which established that at 1200 on 31 December 1999 the last U.S. soldier must leave Panama. The United States wanted us to extend its military presence by renting—that is the most amazing part—by renting the military bases. That is the most serious part of the problem. There are some serious and sensible Panamanians who, faced with the economic situation, were pleased with the

idea of renting the military bases because they thought that we would resolve our problems that way. That is the dangerous part of this situation. This is an extremely serious problem.

We must remember that in 1968 the United States tolerated Arnulfo Arias' controversial presidential candidacy and a parallel oligarchic alliance under the condition that he sign the three-in-one law. There presently are political forces basically from the opposition and from some other government sectors that like the idea of our agreeing with a treaty to extend the existence of U.S. military bases after the year 2000.

That is why I said in the previous program that Omar Torrijos established a great historic path. If we behave like a desperate prostitute when faced with these economic problems, we would easily fall into this sort of trap set up for us. I want to act responsibly. We presently cannot tell what will result from this situation, but I can assert that the political forces that want to be consistent with our patriotic struggle and the improvement of our national identity must reactivate their actions. [passage omitted]

[Herrera] All right, Mr Navas. I am now addressing Mr Deputy Foreign Minister. I cannot ask Mr Salas any questions yet. Mr Navas stated that the United States wants to remain in Panama anyway, whether it is by renting bases, damaging the country's economy, or imposing their will and the kind of government they want.

I know you are the deputy foreign minister. Is the Foreign Ministry considering the situation that Mr Navas presented so accurately? I and Panamanian citizens in general would like to know whether the United States has officially addressed the Panamanian Foreign Ministry to request the negotiation of an extension of the military bases agreement.

[Cabrera] I think it is a very fitting question after the statements made by honorable Legislator Navas. I can tell you categorically that the Foreign Ministry has analyzed those aspects he mentioned, and some other ones as well. We found that there is a deliberate plan to force the country to surrender. The economic destabilization plan is under way. There are plans to destroy the unity of the Panama Defense Forces and to destabilize Panamanian society in general.

Regarding economic actions, I believe that the campaign against our international banking sector is neither an isolated event nor an accidental or fateful matter. That sector is one of the basic pillars of our economy and thus must be eliminated and destroyed to erode the economic pillars and bases of the national economy. Social chaos, division within the Defense Forces, and the destruction of our economy will take us to the point that Mr Navas pointed out. They want us to surrender and extend the military bases treaty. [passage omitted]

[Cabrera] We know that there is a treacherous campaign among certain Panamanian enterprise sectors. That campaign has put that idea in the minds of the Panamanian people. They say that the withdrawal of U.S. Armed Forces from Panama will represent an economic impact on the country's economy. That is a fact. We have no reason to deny or hide it. It will have an economic impact on the national economy, but we must be ready for it. We must be ready for it and we must be aware that we have to pay a price for that withdrawal, for the struggle carried out by generations of Panamanian people for the consolidation of our sovereignty, territory, and national independence. We must play the role that we are assigned to within the community of nations. We should not only play the role of members of the international community, but also of sovereign owners of the Panama Canal.

Concerning the statements made by honorable Legislator Navas about possible U.S.-Panamanian cooperation for the struggle against certain crimes, we must say that undoubtedly Panama cannot become an accomplice or protector of illegal, denigrating activities such as drug trafficking. We must continue cooperating with any country that requests our help to eradicate that criminal activity from the face of the earth. We know that we can all be victims of that crime, including our children, relatives, or friends. However, there is no reason why we should be tax collectors for the United States, the voracious desire for riches of which is very well known.

Therefore, I would make that distinction. It is one thing to have international cooperation concerning the struggle against crime—it is an issue for which we have shown special interest and dedication not only through police actions that have taken place in our country, but also through our participation in international meetings and organizations. I would say that the struggle against crime has been as important as the foreign debt problem and the maintenance of peace and disarmament within the United Nations. [passage omitted]

Argentina

Shevardnadze Makes Stopover in Cordoba

PY072143 Buenos Aires TELAM in Spanish 1951 GMT 7 Oct 87

[Text] Cordoba, 7 Oct (TELAM)—Cordoba Governor Eduardo Angeloz described as important a meeting he held this afternoon at the Cordoba international airport with Soviet Foreign Minister Eduard Shevardnadze, with whom he exchanged ideas on existing needs in the area of international trade cooperation.

In this regard, Angeloz said the USSR intends to make this type of direct contact with each province, as it is doing with Cordoba. He said that during this meeting Shevardnadze reiterated to him an invitation to visit the Soviet Union.

Angeloz said he promised to visit the Soviet Union in 1988 as the head of a Cordoba trade delegation that will include businessmen interested in intensifying trade with the Soviet Union. Thus, he said, we will continue to implement the foreign trade policy we undertook in 1984.

Shevardnadze stayed at the Cordoba airport for nearly 1 hour during a technical stopover of the aircraft that was taking him back to his country from Montevideo. At the airport, Shevardnadze held protocol meetings with the governor, vice governor, and mayor of Cordoba.

The Tupolev plane took off from the Cordoba airport at 1515.

Soviet Foreign Minister's Visit Assessed

Farm Exports To Increase

PY062303 Buenos Aires DYN in Spanish 1344 GMT 6 Oct 87

[Excerpts] Buenos Aires, 6 Oct (DYN)—Agriculture, Livestock, and Fishing Secretary Ernesto Figueras has said that as a result of the agreements signed by Soviet Foreign Minister Eduard Shevardnadze, Argentina "will increase the marketing of its agricultural and livestock products in the Soviet Union." [passage omitted]

Figueras announced that "this year" Argentina will increase the marketing of its agricultural and livestock products in the Soviet Union "as a result of the cooperation agreements signed by Soviet Foreign Minister Eduard Shevardnadze."

Figueras said: "Our trade with Iran has also increased, and the National Grain Board has signed a contract for marketing 1 million tons of grain in that country," adding that "the agreement on reduced exports [convenio de exportaciones caidas] with the EEC has expired. Therefore, we can compete with the United States in that market."

MAS Leader Cited

PY062231 Buenos Aires TELAM in Spanish 0410 GMT 6 Oct 87

[Text] Buenos Aires, 5 Oct (TELAM)—Luis Zamora, leader of the Movement Toward Socialism (MAS), has criticized the fact that Soviet Foreign Minister Eduard Shevardnadze praised and expressed support for President Raul Alfonsin during his visit to Argentina, although the people massively reject Alfonsin's economic policies.

Zamora stated that the Alfonsin government's foreign policies are an extension of the policies Alfonsin adopts in the country. He added that the MAS, however, does not object to the trade relations between the USSR and Argentina, because they are necessary.

Regarding the Soviet foreign minister's comments on President Alfonsin, Zamora said that no trade agreement can justify support and praise that go against the interests of the working class.

Zamora concluded by saying he also rejects Shevardnadze's statement that Argentina must reach an agreement with the United States regarding the debt. Zamora, however, did not make clear when the Soviet minister made this statement.

Further Reportage on Mitterrand Visit

Meets With Alfonsin

PY072225 Buenos Aires CLARIN in Spanish 7 Oct 87 pp 2,3

[Excerpts] In a speech delivered at the City Hall yesterday, French President Francois Mitterrand conveyed his country's understanding and solidarity with the debtor nations. After his arrival, Mitterrand met with President Raul Alfonsin, greeted the diplomatic corps, and paid tribute to San Martin. Today he is due to travel to Cordoba, meet again with Alfonsin, and address Congress.

During a meeting held shortly after the visitor's arrival, Presidents Raul Alfonsin and Francois Mitterrand agreed that the foreign debt that is burdening the Latin American nations like Argentina imposes "restrictions on the development of democracy in the region." The two leaders vowed to promote, from their respective governments, the strengthening of ties between the developed and the indebted countries. [passage omitted]

The two presidents agreed that the "future of the Western world" calls for more cooperation between the so-called industrialized North and the impoverished South.

The first talks between the two leaders and their speeches centered around world economic issues and fluctuations of the economy, which have negatively affected the possibilities of achieving harmonic growth in nations burdened by the debt.

Mitterrand is the first European president before whom Argentina has put forward the dramatic situation caused by the amortization and payment of interest on the Argentine foreign debt, which is almost $58 billion.

Protectionist subsidies, which the United States and the EEC (of which France is a member) grant to their farm products to the detriment of Argentine exports, were also high on the presidents' first working meeting agenda yesterday. [passage omitted]

Presidential Spokesman Jose Ignacio Lopez reported that in the afternoon the two presidents reviewed important world issues, "analyzing the possibilities of each country within the framework of the world economy." [passage omitted]

Mitterrand, the second French president to visit Argentina—Charles De Gaulle paid a visit to Argentina in 1965—held his first official meeting with Alfonsin yesterday. The two presidents will meet again today at noon, in a closed-door meeting at the Olivos residence, where they will have lunch after Mitterrand's visit to Cordoba in the morning.

According to French Ambassador to Argentina Antoine Blanca, the meeting's main agenda item is a series of "key investment projects" with "financial terms that will be as favorable as possible for Argentina." [passage omitted]

The main issues the two presidents addressed during their first meeting, which lasted a little over 1 hour, were the world economic situation and the foreign debt. The meeting was attended by Mitterrand's entourage, French Foreign Minister Jean-Bernard Raimond, French Foreign Trade Minister Delegate Michel Noir, and French Ambassador Blanca. On the Argentine side, the meeting was attended by Foreign Minister Dante Caputo, Economy Minister Juan Vital Sourrouille, and Argentine Ambassador in Paris Carlos Ortiz de Rozas.

According to presidential spokesman Jose Ignacio Lopez, "it was a cordial conversation which centered around world issues and the economic development of nations within the framework of the world economy."

Asked whether the two presidents addressed the foreign debt isue, Lopez replied: "Obviously they did." He denied, however, that Mitterrand formulated economic proposals to Argentina. [passage omitted]

Visits Cordoba Factories

LD070921 Paris Domestic Service in French 0700 GMT 7 Oct 87

[Text] Francois Mitterrand is in Argentina. This afternoon he will visit the Cordoba Renault factories, the largest in Latin America. The Argentine external debt is $54 billion. Speaking to President Raul Alfonsin, who had just described his country's severe difficulties, Mr Mitterrand yesterday evening once again expounded the French position, in particular calling on the industrialized countries to take into account the political dimension of aid to countries in debt.

[Begin Mitterrand recording] The legitimate obligation for the indebted countries to confront their payment dates must not wipe out their development capacity and the well-being which their populations expect. Otherwise, everyone will lose out—the debtors, who will be faced with social and political tensions that will destabilize them; the creditor countries, which will see their exports possibilities reduced; and the banks, which will lose all hope of recovering their credit. The world will lose a chance for equilibrium. [end recording]

Cuban Group Requests Mediation

PY072238 Buenos Aires DYN in Spanish 0316 GMT 7 Oct 87

[Text] Buenos Aires, 6 Oct (DYN)—The American Coalition of Commissions for the Respect of Human Rights in Cuba [Coalicion Americana de Comisiones Pro-derechos Humanos en Cuba—ACCRHRC] today submitted a letter to French President Francois Mitterrand in which it requests Mitterrand to mediate before the government of Fidel Castro to free the "crowd" of Cubans who sought asylum at the French Embassy in Havana, "to flee the oppression of the communist regime."

The text of the note, which was issued to the press in Buenos Aires by the ACCRHRC, states that the citizens who tried to seek asylum at the French Embassy in Cuba on 10 June 1987 "were violently repressed by antiriot police Fidel Castro uses to safeguard his personal power, and keep 120 people in jail."

The letter adds: "We beg you, Mr President, to mediate in the case which we subject to your consideration, in view of the fact that the free world has seldom listened to the cry of freedom of the Cuban people."

The group bases its request on the fact that the "new U.S. representative to the UN Human Rights Commission," Cuban Armando Valladares Perez, "was released from Cuban jails in October 1982, through President Mitterrand's mediation," after 22 years of unjust imprisonment.

French Foreign Minister Departs

PY080112 Buenos Aires TELAM in Spanish 2117 GMT 7 Oct 87

[Text] Buenos Aires, 7 Oct (TELAM)—French Foreign Minister Jean Bernard-Raimond left for home from Ezeiza International Airport today at 1800. He took a regular commercial flight.

Raimond declined to comment to the press, saying that while French President Francois Mitterrand is visiting the country, the French foreign minister cannot make remarks here.

Raimond arrived here yesterday with President Mitterrand.

Joint Ventures To Build Aircraft Planned

PY071357 Madrid EFE in Spanish 1049 GMT 7 Oct 87

[Text] London, 7 Oct (EFE)—Fabrica Militar de Aviones (FMA), the Argentine Air Force aeronautics firm, will participate in a joint venture with foreign firms to build military and civilian aircraft.

According to a report published in the latest issue of the publication *Jane's Defence Weekly*, which is published in London, the new company will operate under the name of Fabrica Argentina de Materiales Aerospaciales (FAMA).

The Argentine Air Force will participate in FAMA with 46 percent of the shares, Aeritalia with 44 percent, and Techint [not further identified] with 10 percent of the shares.

Air Force Brigadier Generals Ruben Oscar Corradetti and Roberto Engroba—Engroba is the director general of the Cordoba materiel unit and the person in charge of the FMA—will be in charge of FAMA, which will continue to manufacture the IA-63 Tampa trainer plane and the new Argentine-Brazilian CBA-123 light transport plane.

The FMA is studying the possibility of an agreement for joint operations with the Spanish firm Iberica Empresa de Explosivos Alabases.

Government Reportedly To Enact Price Freeze

PY080100 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Oct 87

[Text] Rumors circulating since yesterday state that the economic team is reportedly planning to implement a temporary price freeze on the exchange rate, on salaries, and on utility rates within the next 2 weeks, when the government is sure it will be able to decrease the public deficit by up to 3 percent of the GDP.

Highly reliable sources have stated that the executive branch will disclose the 2-year government plan on 16 October and that it encompasses proposals that will have been previously approved by the UCR and the UCR district board chairmen during a meeting they are scheduled to hold with President Alfonsin at the Olivos presidential residence in mid-October.

Moreover, Economy Ministry sources have asserted that the 2-year plan will not only encompass economic measures currently being studied by the economic team headed by Juan Sourrouille, but will also include political and social measures. These measures, among other things, will seek to build the confidence of Argentine public.

Chamber of Deputies Ends Period of Sessions

PY052140 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1408 GMT 1 Oct 87

[Text] Buenos Aires, 1 Oct (NA)—The Chamber of Deputies yesterday formally closed the period of regular sessions, thus disavowing Vice President Victor Martinez' announcement that the government will reportedly order a 60-day extension. An immediate resumption of congressional activities requires a call for special sessions by the Executive Branch.

Before the closing session, Deputy Jose Luis Manzano, chairman of the Peronist Renewal Faction bloc, publicly "called on the Executive Branch to seriously consider instituting an extension" before the end of the day so as to allow congressional activities to continue "in compliance with the people's desire expressed through the ballots."

Manzano insisted on the Peronist position, which demands an extension and rejects the call for special sessions—during which only proposals by the Executive Branch can be discussed. He proposed discussions on a list of 24 draft bills related to labor, eocnomic, financial, education, defense, housing, public works, communications, transport, and energy matters.

A few minutes later, the Chamber of Deputies began the session with a minimum quorum of 129 deputies, taking the oath of three new deputies who are replacing two deputies who have passed away and one who has resigned. Chamber President Juan Carlos Pugliese then briefly announced the closing of the period of sessions.

This happened at 1945 at the Hall of Sessions, only 2 hours after Presidential spokesman Jose Ignacio Lopez announced at Government House that President Raul Alfonsin was "evaluating" a decision whether or not to extend the period of sessions. This decision should have been made before 2000, the time scheduled for the end of the period of regular sessions.

Caridi on 'Difficult Situation' in Army

PY031805 Buenos Aires BUENOS AIRES HERALD in English 30 Sep 87 p 11

[Text] (NA-DYN)—Army Chief-of-Staff General Jose Caridi said here [location not further specified] yesterday the Army was facing a difficult situation which required great efforts to overcome following the incidents in the Third Infantry Regiment in La Tablada last weekend.

"But we are working on this and will continue doing so," he added.

Caridi arrived here yesterday at the start of a three-day inspection tour of five army units in Misiones before going to Formosa on Monday to attend a ceremony marking the 12th anniversary of the recovery of a regiment taken over by leftwing guerrillas.

Yesterday Caridi inspected the 30th infantry regiment in Apostoles, 60 kms south of here, and then met the officers of the unit to discuss their operational needs, military sources said.

His tour would also include visits to the brigade command in Posadas, the 18th Regiment in San Javier—formerly under the command of cashiered Lieutenant Colonel Aldo Rico until he led the Easter Week uprising in Campo de Mayo—the 12th Engineers Company in Bernardo de Irigoyen, and the 12th Company in Puerto Iguazu.

It was Caridi's fourth inspection tour since he took over as chief-of-staff following the Easter Week uprising.

He had previously toured Army units in Buenos Aires Province, in Patagonia, Cordoba and Tucuman.

Former Interior Minister Antonio Troccoli said yesterday in Buenos Aires that the incidents in La Tablada as well as the Easter Week uprising were a backlash of the former military regime.

"At that time there were many excesses and errors that left their aftermath which we are now trying to handle in the best possible way," Troccoli told the Magdalena Tempranisimo programme on Radio Mitre.

He said the two events were "part of the inventory of pending matters which must be resolved in the transition to homogenize an Army that serves its purpose and not for confrontations."

The ceremony on Monday was to recall the attack by leftwing guerrillas on the 29th jungle regiment where soldiers were shot in their beds without a chance of defending themselves. In all, more than 20 people died in the clash, which occurred on October 5, 1975.

Colonel Retired Over Tablada Incident

PY020030 Buenos Aires Domestic Service in Spanish 1600 GMT 2 Oct 87

[Excerpts] Colonel Francisco Vivas, commander of the 3d Infantry Brigade, was officially informed that he has not been considered for promotion to the rank of general. A military source said this is the 2d year in a row that he has been denied his promotion and this will force him to retire at the end of the year.

Col Vivas is the commander of the infantry brigade to which the 3d Infantry Regiment in La Tablada belongs. The 3d Regiment confined itself to barracks last weekend, in an act of indiscipline, and refused to accept the replacement of its commander, Lieutenant Colonel Dario Fernandez Maguer.

Former Interior Minister Antonio Troccoli this morning said the military indiscipline in La Tablada is the latest spasm of the era of military governments. Troccoli added that the Holy Week incidents and the incidents at La Tablada are part of the list of pending problems that a transition government must solve for the country to have an homogeneous Army willing to serve its ends and avoid confrontations. [passage omitted]

Luis Macaya, Buenos Aires Province vice governor-elect, said he believes there will be new incidents like the one in La Tablada and that the crisis in the military is far from solved. Macaya made comments on the La Tablada incident and the attitude of General Caridi and said he is not sure the replacement of Lt Col Dario Fernandez Maguer will solve the problem because the government is too lenient with the commanders. Macaya added that he has the impression that the government is not fulfilling its pledge to the officers, and this is the cause of the indiscipline in the barracks.

Army Releases List of Command Assignments

PY011121 Buenos Aires DYN in Spanish 1108 GMT 30 Sep 87

[Text] Buenos Aires, 30 Sep (DYN)—According to reliable sources, the Army Performance Evaluation Panel today released the new list of assignments of the Infantry and Cavalry commanders and deputy commanders.

The following are the assignments in the Infantry: Major Horacio Banus, as 2d Airborne Regiment deputy commander; Lieutenant Colonel Gustavo Gonzalez Sas, as 3d Regiment commander; Lieutenant Colonel German Vonci, as 5th Regiment commander; Lieutenant Colonel Ricardo Labella and Major Jorge Genovese, as 6th Regiment commander and deputy commander, respectively; Lieutenant Colonel Ricardo Labella and Major Jorge Genovese, as 6th Regiment commander and deputy commander, respectively; Lieutenant Colonel Hector Sanchez and Major Rafael Larocca, as 10th Regiment commander and deputy commander, respectively; Major Osvaldo Gonzalez, as 11th Regiment deputy

commander; Lieutenant Colonel Enrique Cicciari and Major Miguel Angel Caffaratri, as 16th Regiment commander and deputy commander, respectively; Lieutenant Colonel Raul Barilleau and Major Jose Tofalo, as 17th Regiment commander and deputy commander, respectively; Lieutenant Colonel Carlos Carrizo Salvadores and Major Enrique Welsh, as 21st Regiment commander and deputy commander, respectively; Lieutenant Colonel Carlos Urqueta, as 26th Regiment commander; Lieutenant Colonel Jose Bettlli, as commander of the 30th Regiment of Rangers; Major Ernesto Puig, as 35th Regiment deputy commander; Lieutenant Colonel Luis Galan, as 37th Regiment commander; Major Hector Petricic, as 9th Regiment deputy commander; Major Ernesto Morales, as 8th Logistics Battalion deputy commander; Lieutenant Colonel Jorge Ripoll and Major Eduardo Llama Figueroa, as 9th Logistics Battalion Airborne Regiment commander and deputy commander, respectively.

The following are the assigments in the Cavalry: Lieutenant Colonel Armaburu and Major Scortichini, as Grenadiers Regiment commander and deputy commander, respectively; Lieutenant Colonel Molinari has been assigned to the 1st Armored Regiment; Lieutenant Colonel Grazzini, as 2d Armored Regiment commander; Major Fernandez, as 4th Cavalry Regiment deputy commander; Lieutenant Colonel Goris, as 6th Armored Regiment commander; Major Arguello, as 7th Armored Regiment deputy commander; Lieutenant Colonel Caro and Major Alfonso, as 9th Armored Regiment commander and deputy commander, respectively; Lieutenant Colonel Carullo, as 10th Armored Regiment commander; Major Gonzalez, as 1st Armored Regiment deputy commander; Lieutenant Colonel Repetto and Major Salgado, as Armored Cavalry Regiment [no regiment number given] commander and deputy commander, respectively; Lieutenant Colonel Amieba and Major Uriburu, as 16th Armored Cavalry Regiment commander and deputy commander, respectively; Major Willinton, as 5th Armored Cavalry Ranger Detachment commander; Major Baez, as 11th Armored Cavalry Squadron commander; and Major Daguer, as 1st Logistical Battalion deputy commander.

The assignments in Engineer Battalions and units are: Lieutenant Colonel Fait, assigned to the 161st Engineer Battalion; Lieutenant Colonel Caceres, to the 181st Engineer Battalion; Lieutenant Colonel Sosa, to the 161st Combat Engineer Battalion; Lieutenant Colonel Trasorras, to the 601st Engineer Battalion; Major Caro, to the 161st Engineer Battalion.

The assignments to the communications units and organizations are: Lieutenant Colonel Carlos Galli, as Communications School deputy director; Lieutenant Colonel Badias, to the 601st Communications Group; Lieutenant Colonel Bessieres, to the 602d Communications Group.

Other assignments include: Lieutenant Colonel Eduardo Lopez Inigo, as 601st Quartermaster Battalion deputy commander, and Lieutenant Colonel Modesto Tizzoni, as the director of the Military Tailor Shop.

Lapena To Head Government Oil Deposits

PY031522 Buenos Aires TELAM in Spanish 1919 GMT 2 Oct 87

[Text] Buenos Aires, 2 Oct (TELAM)—During a news conference held at the Ministry of Public Works and Services, Public Works Minister Rodolfo Terragno reported that Energy Secretary Jorge Lapena has been appointed president of the Government Oil Deposits (YPF). Lapena will also remain in his present post.

Terragno has also confirmed Juan Carlos Colombetti as YPF executive vice president, and added that next week he will announce the new chairmen of ENTEL [National Telecommunications Enterprise], SEGBA [Greater Buenos Aires Electrical Services], and the Water and Power Company. He also said he will report about the future of the Public Companies Board at the same time.

Bolivia

Foreign Minister Returns From UN Assembly

PY051803 La Paz La Red Panamericana in Spanish 1700 GMT 5 Oct 87

[Excerpt] Foreign Minister Guillermo Bedregal Gutierrez has just returned to La Paz.

[Begin report from La Paz airport by Reporter Cristina Corrales] Good afternoon. Foreign Minister Guillermo Bedregal has arrived in Bolivia today at 1310 on a Lufthansa flight. Upon arriving, he said that the debates over (?Chile) at the UN General Assembly were difficult. He also said that Bolivia will insist that the United Nations transfer the ECLA headquarters from Santiago de Chile. [passage omitted] [end report]

Soviet Mission To Discuss Dam, Oil Projects

PY051457 La Paz EL DIARIO in Spanish 23 Sep 87 pp 3, 5

[Excerpt] According to Soviet Ambassador to Bolivia Takhir Durdyev, the Soviet Government is interested in oil development projects in the departments of La Paz, Oruro, and Potosi. It is also interested in participating in the construction of the El Bala hydroelectric dam.

Durdyev announced during a news conference that a high-level Soviet diplomatic mission headed by Soviet Deputy Minister of Foreign Trade [title as published] Yuriy Chumakov will arrive in Bolivia soon for the purpose of reaching agreements on carrying out important national development projects.

The ambassador said the Soviet delegation will arrive in Bolivia on 12 October and will meet with Bolivian Government officials in Santa Cruz to discuss different proposals.

"We are interested in carrying out these projects, and we are also considering others," Durdyev said, adding that the Soviet Government intends to invest a large sum of money in bilateral cooperation.

He explained that the amount of money will be discussed in meetings between the intergovernment economic cooperation commissions of the two countries, which will sign the corresponding documents after the meetings.

The Soviet Union is willing to provide machinery and technology for different Bolivian projects. However, the USSR is mainly interested in the El Bala hydroelectric dam. Soviet hydroelectric institute experts will arrive in Bolivia to carry out studies on this project on a priority basis. It is expected that the general outline of the future project will be ready by the end of the year.

Regarding the oil development and exploitation projects, the Soviet ambassador said the studies are ready, but the subject still has to be discussed among government authorities.

He mentioned other projects, such as building a tractor assembly unit, rural telephone lines in Cochabamba Department, and factories, depending upon Bolivia's needs. [passage omitted]

Loans for Economic Reactivation Suspended

PY020156 La Paz PRESENCIA in Spanish
22 Sep 87 p 1

[Excerpts] The disbursement of loans from the Economic Reactivation Emergency Fund (FERE) was temporarily suspended until the government determines how to interpret the Central Bank regulation on the subject.

The president of the institute granting the loans and the information minister have said the government has begun to review the current regulation in view of the charges of manipulation, which were made by Foreign Minister Guillermo Bedregal, in order "to ensure that the country has a fair and objective mechanism," eliminating "the subjective granting of loans."

Javier Nogales, president of the Bolivian Central Bank, announced the decision after meeting with President Victor Paz Estenssoro, Foreign Minister Guillermo Bedregal, Finance Minister Juan Cariaga, Information Minister Herman Antelo, and a delegation of five members of the Bolivian Banking Association, headed by David Blanco.

The government spokesman said that during the meeting, the private bank delegates explained their proposals, concerns, and recent problems. [passage omitted]

Herman Antelo recommended that the banks be especially receptive and careful in the administration of these funds and that they pay more attention to the efficiency and profitability of the companies seeking loans than to subjective criteria or favoritism. The central and clear exhortation of the president, as conveyed by Antelo, was that the government "does not have any interest in confronting or weakening the financial sector." [passage omitted]

Antelo said the bankers "have pointed out that some firms that received loans are bank clients and others are not. The president referred to this when he recommended that the banks apply the criteria of better productivity and efficiency when granting loans instead of other, more subjective criteria." [passage omitted]

The Central Bank president said: "We are investigating what the banks did with the loans. We will present our conclusions to the government as soon as possible in order to be able to address the issue objectively, so that the government can decide what has to be changed."

Javier Nogales concluded by saying: "The regulation is not suspended; we are in the process of reviewing it. Meanwhile, we will not make any disbursements of this line of credits. As long as we do not have a clear and objective evaluation and the consent of the government, we will not make any disbursement."

Funds Mishandling Acknowledged

PY031848 La Paz PRESENCIA in Spanish
22 Sep 87 p 1

[Excerpt] ASOBAN [Asociacion de Bancos—Bolivian Banks Association] has requested that the government punish those banks that have not complied with legal orders. ASOBAN is thereby acknowledging that the charges made last week by the Bolivian foreign minister, who said that the funds supplied by the Economic Reactivation Emergency Fund were being "manipulated," are true.

After meeting with President Victor Paz Estenssoro and three of his ministers, ASOBAN Vice President David Blanco said that documents "show there are problems in some cases" and that those banks "that have used financial resources in commercial operations will have to return them and pay a commercial interest rate." [passage omitted]

Brazil

Sarney Announces New Government Program

PY080138 Brasilia Domestic Service in Portuguese
2330 GMT 7 Oct 87

[Speech to the nation by President Jose Sarney, in Brasilia on 7 October—recorded]

[Text] Brazilian women and men:

Tonight, I am ready for a frank talk with you and, to a certain extent,I want to get something off my mind.

I will not go into the dramatic circumstances which brought me to office. The Brazilian people know these circumstances well and witnessed them. With this position, I inherited the obligation to fulfill several promises made by the Democratic Alliance, which signed a commitment with the PMDB and the PFL. With determination and persistence, we have succeeded in fulfilling all those promises.

Let us analyze the promises made and fulfilled: We held direct elections at all levels, and will hold presidential elections in two stages. By a majority of votes, we have convoked the national Constituent Assembly, that is now discussing the great national problems and the country's institutional future. We made underground parties legal; we reformulated the electoral laws thus allowing parties to freely organize and create new parties—more than 20 parties have been created: We held elections at the state capitals and at the national security counties; we allowed the labor unions to participate in national life; we granted the country absolute freedom of the press; we extinguished intraparty labels; we allowed the reestablishment of party coalitions; we put an end to all types of intervention of the labor unions and respected their autonomy and freedom. Nonetheless, we did not limit our actions to fulfilling institutional promises made by the Democratic Alliance and opening the path towards democracy.

I did more than that. My government has broadened our political, social, and economic achievements by sponsoring electoral registration that made the last elections the most legitimate elections ever held in the country. On that occasion, we had the opportunity to say that we were the second greatest democracy in the Western world. The number of voters in the last U.S. elections was less than the number of voters in our last elections.

We created a mandatory free bus ticket system for all workers. We implemented the unemployment insurance which was taboo for sometime. Political parties were given democratic chances to use radio and television during their electoral campaigns. Illiterate people were given the right to vote. The Brazilian Government supported the UN convention against torture and other cruelties. In this regard, I remember how moved I was at the signing of this treaty at the UN headquarters.

We also signed the OAS pact on human rights. We made the Students' National Union legal; we created the National Council for the Defense of Women's Rights; we promoted national growth, and offered it as an option to the Brazilian people. The people were willing to overcome the recession period, and we made the country overcome it. The national growth rate was 17.2 percent in the 1985-86 period. This rate becomes still more important when we realize that ours was the highest growth rate in the West in 1986.

We have improved the employment level. When we took office, the unemployment rate was 8.3 percent, it decreased to 2 percent in 1986. In August 1987, it is now 4.22 percent.

We granted amnesty to the banned trade union leaders. We approved the democratization and the debureaucratization of trade union elections. We approved the presence of labor representatives at the National Monetary Council, where the country's economic policy is made, at the SUDAM [Superintendency for Developing the Amazon Region] council, at the SUDENE [Superintendency for Development of the Northeast] council, at the Brazilian Welfare Legion, at the Women's Council, at the consumer defense council, and at the IBGE [Brazilian Institute of Geography and Statistics] rate calculation council. We approved monetary corrections and special rates for compensation payments for the workers despite the huge difficulties that recently marked the country's economic and social situation.

We are proud to announce that the democratic drive has not retrogressed. The institutions have been strengthened in the past 2 years and 8 months. Freedom is enjoyed throughout the country.

We are now facing a new fact that is extremely important for the Brazilian political project: The democratic alliance has been broken. In order to govern, I need a broad base of political and congressional support to permit me to administrate without restrictions or limitations.

I governed with the support of the Democratic Alliance. I fulfilled all the Democratic Alliance commitments. The Democratic Alliance has now been broken. Therefore, we need—and I am announcing this to all the Brazilian people tonight—a distinct, clear, safe, and unquestionable majority that will safeguard the government's tranquillity and, thus, the nation's tranquillity. To this end, I want to inform the Brazilian people that today I delivered to PMDB President Ulysses Guimaraes and to PFL President Marco Maciel a document-commitment [documento-compromisso], proposing the establishment of a minimum program, through which the president of the Republic, free from pressures, may have full freedom to appoint his government team and may propose those political, economic, and administrative actions designed to promote national interests.

Our nation wants stability, and we are aware of the fact that every transition period anywhere has always been a very difficult period.

Thus, we will begin a new stage. To a large extent, the Brazilian problem is a political problem. The economic and social problems are just the consequences of a political problem.

Someone has said: Give me sound politics, and I will have a good economy.

Our parties—and this can be easily proven—are divided into factions and subfactions, with completely different ideologies. Thus, we need to know which forces we can count on for the great task of national reconstruction during my government's second stage.

The people must be certain that the future will be better. The businessmen must have confidence in order to invest again. Brazil must solve the foreign debt issue, be reintegrated into the financial system, and act pragmatically and realistically.

Of course this must be done according to our interests, guaranteeing our sovereignty, and without paying the cost of recession.

Our workers must have the guarantee that they will not be affected by unemployment, that their wages will not be reduced. These are some of the fears experienced by the different sectors of the Brazilian society. For this reason, I repeat, it is essential to have political stability.

We were able to achieve these basic positive results that I mentioned before because we had the support of the Democratic Alliance. This alliance was achieved before the elections.

Very well, my objective now is to guarantee that this stability will prevail for the conclusion of my term in office, and to solve our country's problems.

I must confess that during these past 2 years of government I have never felt a firm and necessary support. For example, when I adopted the Cruzado Plan, many criticized it. Then, the elections came; the Cruzado Plan had its glorious period, and everyone took credit for that success.

Then came the November difficulties. We had to make painful adjustments to prevent worse evils. We have to admit that we executed a policy that could in no way be popular; that is, a policy of interest and prices. Yet, these are the responsibilities of a ruler: It was my duty and my responsibility. To a certain extent, I was abandoned and had to assume full responsibility for everything.

I did not receive any support at the time I issued those measures nor did anyone share responsibilities with me. My colleagues made boisterous attacks. Everyone takes credit for the successes, but I alone have to shoulder the heavy burden of difficulties. The same thing happened with the agrarian reform, and the same thing with the moratorium. Those who most strongly applauded the government were the ones who attacked it the most.

The people are witnesses to my complete dedication to the country, without any days off, without weekends, without holidays. I know this is part of a president's role. However, I have gone beyond the personal sacrifice, beyond my own duties, with the willingness and determination to serve the people.

However, at this moment, which is a decisive moment, I want and need, a clear support to successfully conclude this process of democratic transition and to guarantee the country's economic development that cannot be suspended. The Democratic Alliance has fulfilled its task, and I am going to fulfill the new objectives. We know the answers, we know how to overcome the obstacles, and we need to overcome the political obstacles. I expect the cooperation of the political parties and of the congressmen, and I am absolutely certain they will not fail Brazil.

I want to go even further by saying that our objective now is to have a government of national unity. I am open, as I have always been, to a dialogue on this matter.

Brazilians:

During my remaining 2 years in office, I have to complete the political task of restoring democracy, I have to put our finances in order, without disregarding what is essential for our development. These are all feasible tasks, but we need political tranquillity and a majority bloc in Congress to support the government's political and administrative action.

Why do we want such support? We want it to enforce the economic policy, set in motion the macroeconomic plan, solve the foreign debt problem in a realistic manner, and to moralize the administration—eliminating organizations, and even ministries. Employees must be hired through a competitive public process; the nonessential, nonstrategic areas must be handed over to the private sector; in the cases involving corruption charges, any official holding a position of confidence must be dismissed if he is found to have been neglectful. New prospects must be opened for the northeastern, center west, and Amazonian regions, creating export platforms, using the possibility of converting the debt into investment. An emergency policy must be enforced for the lower income sectors. We have seen how the housing problem is becoming increasingly serious in the large cities, along the highways, and in the peripheral areas. Under this emergency program, the federal, state, and municipal governments must join efforts in the struggle against violence, a great scourge that has affected all of our social sectors. We must also decentralize the public administration. We must properly support the private sector so that this sector may gain confidence and once again promote investment. We must establish a professional career for public servants, streamlining the administration and eliminating the unjust case of the so-called maharajas [public servants earning large salaries], setting salary ceilings. We must promptly enforce land reform.

However, we should also say that not only is Brazil a feasible project; it is an extraordinary country. We Brazilians, in a short time managed to build the biggest country south of the equator. But problems are not the only thing we have. We also have achievements, of which all of us are proud. Progress used to be the privilege of

the North, but Brazil broke that rule. We are the world's eight largest economy. As an example, this year we had the agricultural harvest in our history: 65 million tons of grain. We build computers, automobiles, trains, ships, planes, factories, and turbines, when just 50 years ago, we were importing buttons, and even pins. Our economy is growing. The prospects are good. Inflation has dropped from 25 to 6 percent. The trade surplus, which was zero in January, is $1.4 billion monthly today.

Brazil must get ready for the 21st century. It must restore its confidence in its institutions, in its own future, advocating unity and solidarity within our country, irrespective of parties or political ideology.

Brazil must help the president solve the problems that have accumulated.

Therefore, this is a time for building. We have solutions, there is nothing to fear, and there is no reason for regression either.

I would like to conclude by saying that we will solve our political and socioeconomic problems. I am determined—strongly determined—to introduce the necessary changes without making either personal or political concessions. To this end, I reiterate that I expect to count on the political parties, on the congressmen, and on the governors. We have reached a point at which we cannot turn back. We are beginning a new stage.

For this new era, I ask for the help of God and also for our people's essential and generous support. I ask for the support of the Brazilian men and women who are now listening to the president. Thank you, very much. Good night.

Deputies Say Public Wants Presidential System

PY071540 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Oct 87

[Text] Several deputies who previously supported the parliamentary system now support the presidential system of government.

Senator Edilson Lobao, PFL-Maranhao State, has stated that everyone knows that the Brazilian public is against implementation of a parliamentary system. Commenting on the recent polls that have been taken throughout the country that showed that the majority of Brazilians support the implementation of a presidential system: he said:

[Begin recording] We tried this once before and it had tragic results for Brazilian democratic institutions.

To insist on this issue does not help the Brazilian people or the nation. None of us were elected because we supported a parliamentary system. All of us were elected under a presidential system. Therefore, to try to change the rules of play at this time would be to betray those who voted for us on 15 November. [end recording]

Deputy (Jose Luiz Maia), PDS-Piaui State, also spoke on the issue.

[Begin recording] It so happens that the Brazilian people are used to electing a president. Not so long ago, we witnessed a true civic crusade throughout Brazil, which promoted the holding of direct presidential elections. It is perhaps because of this that the Brazilian people staunchly support the implementation of a presidential system of government, which has advantages over the parliamentary system because there is great national awareness of the presidential system and because Brazilians are now accustomed to holding presidential elections. Nevertheless, the main drawback regarding the parliamentary system is that we already held a plebiscite on this issue, and the parliamentary system was rejected.

I, personally, favor the implementation of a parliamentary system but I believe the manner in which the proposal was drafted shows that it is being promoted for ulterior motives. This is why I will vote for the implementation of a presidential system. [end recording]

The two legislators added that if a plebiscite were held, the overwhelming majority would vote against a parliamentary system and for a presidential system with a powerful congress.

Joint Armaments Venture Planned With UK

PY071253 Madrid EFE in Spanish 1047 GMT 7 Oct 87

[Text] London, 7 Oct (EFE)—THE British enterprise Royal Ordnance and Britanite Industrias Quemicas do Brasil will participate in a joint venture to supply materiel to the Industria Militar,an explosives enterprise.

A report published in the latest issue of *Jane's Defence Weekly*, which is published in London, indicates that the new form will be called Britanite Royal Ordnance do Brasil.

This is the first foreign operation to be carried out by Royal Ordnance since it was sold to the private sector. The firm now belongs to British Aerospace.

Chile

'Dozens' Arrested in Santiago Disturbances

PA072022 Paris AFP in Spanish 1825 GMT 7 Oct 87

[Text] Santiago, 7 Oct (AFP)—According to on-the-scene observers of incidents, dozens of demonstrators were arrested in Santiago during violent clashes with the police in the middle of a general strike called by the National Workers Command (CNT) today.

Those arrested included Socialist Party Secretary General Ricardo Nunez and other leftist leaders who led a rally in front of the doors of the metropolitan cathedral in the central Plaza de Armas.

The Carabineros military police harshly repressed the demonstrators, who were singing the Chilean national anthem. The Carabineros used nightsticks, tear gas, and water cannons against the demonstrators.

Several journalists and photographers were beaten by the Carabineros and affected by the tear gas as they were covering the police action.

At the Catholic University, where the students seized a section of the Bernardo O'Higgins Avenue, the police threw tear gas canisters into the inside of the central offices which made the air unbreathable.

However, the youths were able to take refuge inside the university and there were no arrests.

"Shoot, I am a student" said a placard in the university.

Classes at the Catholic University and other higher education centers were paralyzed today after the Chilean Council of Students Federations (CONFECH) joined the strike called by the CNT unions.

There was bus passenger service today and the businesses in Santiago and other Chilean cities were open but there was a noticeable drop in the number of buses which led to delays and absenteeism in industries and schools.

Military patrols reinforced the police patrols on bridges, access roads, neighborhoods in the outskirts, and other strategic locations in the Chilean capital.

In its first report, the CNT said that many metallurgical industries, construction firms, and leather and shoe factories closed their doors due to the strike waged by workers, who are demanding a 22-percent wage increase and protesting the economic and social policy of General Augusto Pinochet's government.

In the Valparaiso area, 100 km to the west, dynamite destroyed part of the railroad near Villa Alemana, interrupting train service.

Yesterday, two policemen were wounded by the explosion of a bomb in a bank in Santiago, where 10 buses were also burned by unidentified individuals.

Further on Incidents

PY080359 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Oct 87

[Text] Isolated incidents occurred in downtown Santiago this morning after demonstrators chanted slogans and threw leaflets supporting the strike called by the National Workers Command [CNT]. Around noon, forces of the special Carabineros squad arrested six Socialist Party [PS] leaders, who had joined others in singing the national anthem in front of the metropolitan cathedral, PS spokesman Luis Alvarado has reported.

[Begin Alvarado recording] The PS called for a demonstration in the cathedral's atrium at noon today in support of the call the CNT has issued in connection with the people's essential demands. Our party sponsored a demonstration with some 150 party members headed by party leaders. While we were singing the national anthem at the cathedral's atrium, our leaders were violently repressed and arrested. Those arrested include party Secretary General Ricardo Nunez; Deputy Secretary General Jorge Molina; Political Committee member Arturo Saez; Monica Silva, of the Socialist Women's Federation; Central Committee member Julian Cepeda; and party leader Patricia Ramirez. [end recording]

Alvarado added that Carabineros have strongly repressed opposition demonstrators, and that even the journalists who are discharging their professional duties were the victims of the violent repression.

Jorge Andres Richard, vice president of the Journalists Association, has leveled the same charge, after he personally saw how tear gas was used against journalists at the main square.

[Begin Richard recording] We want to report the violent treatment given to journalists here at the main square. Practically all the photographers and the journalists who were covering the demonstration were violently beaten, kicked and hit with clubs. We tried to talk to the officer in charge, but the unexpected answer was more beating. This is totally opposed to what Carabineros director General Stange has said: that journalists working on the streets would be given all guarantees. We have witnessed a case of unprecedented violence [words indistinct] in Santiago streets. [end recording]

Carabineros used water cannons and tear gas to disperse the demonstrators, some of whom were arrested and taken to police cars.

Downtown stores, especially those on Paseo Ahumada and Estado Street, had to close shortly after midday because of the heavy concentration of tear gas which still prevails near the main square.

Argentine Demonstrators Arrested, Expelled

PY071404 Santiago Domestic Service in Spanish 1030 GMT 7 Oct 87

[Text] Three Argentine citizens have been turned over to the Argentine Consulate and ordered to leave the country. They were arrested for participating in street demonstrations in downtown Santiago.

The Argentine citizens were identified as Jose Alberto Mass, 36, with a degree in business administration; Luis Osvaldo Fuentes, 40, a bank employee; and Marta Livia Bedro, 26, an attorney.

The three Argentine citizens were arrested along with 34 other people for disorderly conduct at the corner of Bandera and Compania Streets. The police determined that the three Argentines entered the country from Mendoza on 5 October with the apparent purpose of participating in violent demonstrations. The three individuals have left the country in an Argentine Embassy car and returned to Mendoza.

Church Organization Official's Home Attacked

PY062216 Santiago Radio Chilena Netowrk in Spanish 1700 GMT 6 Oct 87

[Text] Unidentified persons have attacked the house and the car of Deacon (Enrique Palais), who is the executive secretary of the Vicariate of Solidarity. A communique released today by the Vicariate—which is a church organization in Santiago—said the attack was staged last night while the Vicariate was commemorating the 80th birthday of Santiago emeritus Cardinal Rual Silva Henriquez. Part of the statement, which was read by Vicariate official Carmen Serrano, says:

[Begin Serrano recording] At approximately 2045, a man jumped over the iron fence surrounding the garden and tried to force the door open, but was unsuccessful because of the quick reaction of those who were inside the building. The man threw a red flag into the building. On the flag were the letters FPMR [Manuel Rodriguez Patriotic Front]. [end recording]

The attackers also liberally sprinkled a (Suzuki Fronte) car owned by (Enrique Palais') wife with a red liquid that resembled blood.

Carabineros were dispatched to the area and posted guards around it. The police said the action—intrusion into private property—will be reported to the 6th criminal court of Santiago.

The Vicariate of Solidarity stated that the attack is just one more threatening action against its executive secretary, and that the people are aware of such attacks.

Carabineros Find Arsenal in Santiago

PY061645 Santiago LA TERCERA DE LA HORA in Spanish 1 Oct 87 p 13

[Text] Carabineros in the Lo Lillo district have found a large amount of explosives and weapons in a field located in the Santa Elena shantytown, in the Lo Martinez sector.

The discovery occurred yesterday afternoon after joint Army, security, civilian, and uniformed police forces raided the Las Acacias shantytown in southeast Santiago.

Preliminary investigations have led the authorities to believe the owners of the explosives and the arms abandoned them in the field because they thought their houses would be searched. No arrests were reported, but there were reports that the police raided a house on Third Street in the Las Acacias shantytown, where they found a great deal of literature, documents, and maps of sectors where police precincts are located.

Carabineros found the weapons in two large plastic bags that were half buried in a field on the corner of Santa Elena and San Francisco streets. Among other things, the sacks contained 71 plastic containers used to manufacture explosives; 32 containers used to make homemade grenades and explosive charges; 4 grenades made from cans, each with steel shrapnel and 0.1 kg of aluminum AN-FO [low-cost ammonium nitrate, fuel-oil blasting agents]; 9 metal grenade detonators; 7 pieces of grenade safety fuse; 1 disassembled M-16 rifle; 1 sawed-off shotgun; large caliber hand-guns with ammunition; and several red and black kerchieves with the acronym FMR [as published—probably a reference to the FPMR, the Manuel Rodriguez Patriotic Front].

Parties Optimistic About AD Meeting

PY021405 Santiago Radio Chilena Network in Spanish 2300 GMT 1 Oct 87

[Text] The Democratic Alliance [AD] meeting has ended in an atmosphere of optimism. Adolfo Valas, member of the National Party Political Committee, and Erik Schnake, member of the Socialist Party Political Committee, have agreed on the necessity of putting together an alternative government program, and appointing a candidate to lead the democratic sectors of the country. Adolfo Valas commented on the urgent need to reach an agreement that expresses the will of the majority of the Chilean people.

[Begin recording] [Valas] When our program is ready, we will submit it to the Executive Board for approval on 7 October.

Other political parties also have their programs almost ready, and there are no substantial differences among them. Therefore, we may achieve a program that expresses all our principles and goals, a plan that expresses more than our mere individual aspirations.

We are aware that it is impossible for each party to impose its full program, that we must put together a program that expresses a combination of our projects.

[Reporter] So, you are optimistic about the results of the meeting?

[Valas] Well, some say that if one is intelligent one must be pessimistic to be able to see the risks of such an enterprise, yet one must be optimistic. I see the results of this meeting from both points of view. I am aware that there are several obstacles to be overcome, but I have the will to overcome them; therefore, I can say that I am optimistic. [end recording]

Erik Schnake said that the Socialist Party's program will be sent to the other parties.

[Begin Schnake recording] We have just finished a program, and are discussing it with the political forces. We can say that the following method has been adopted: Each party, each sector, must first express its ideas, as clearly and correctly as possible, in its program. Then we will discuss these programs in order to reach a common program. [end recording]

Erik Schnake concluded by saying that the Socialist Party's withdrawal from the AD did not imply an estrangement; very much the opposite is true, because since the withdrawal more agreements have been reached.

FPMR Schism, Possible Implications Viewed

PY062004 Santiago FORTIN MAPOCHO in Spanish 2 Oct 87 p 2

[Text] A report datelined Santiago carried by the Latin American Special Information Services [Agencia Latinoamericana de Servicios Especiales de Informacion—ALASEI] on the FPMR [Manuel Rodriguez Patriotic Front] states that the schism this paramilitary group has experienced "is not believed to be irreversible."

The report adds that "sources close to the FPMR leadership have stated that only a third of the FPMR cadres have left the organization, and that right now the members are in the process of being reintegrated into the organization. The sources added that since excellent results have been obtained in this process, the FPMR is convinced the schism is not irreversible."

After stating that at the beginning of this year there were rumors of disagreements within the FPMR, ALASEI adds that a member of the PCCh Political Commission has stated that although there are PCCh militants within the FPMR, the FPMR is also made up of militants from other political parties and of some who do not belong to any political party.

But this PCCh official added something very interesting. In view of the arrests and repression unleashed after the discovery of the arsenals in the northern region and the attack on Pinochet, the PCCh decided to reject double membership; that is, there must be no ambiguous situation. One has to be exclusively a PCCh member or not at all.

The press report adds that the FPMR has experienced the same disagreements that the Movement of the Revolutionary Left, MIR, experienced in its time between those who promoted the "military line" (resorting to the use of guns for everything) and those who promoted a "policy of the masses" (people more inclined to use political procedures).

ALASEI states that this disagreement divided the FPMR. At first "officers" were punished because of "negligence" that resulted in tragic losses.

Later, after the IU [United Left coalition] was established, an FPMR "polarized" group made up of ultrarevolutionaries like the MAPU [United Popular Action Movement]-Lautaro faction, the MIR-Pascal Allende faction, and the Salvador Allende Socialist Party, was placed to the left of the IU. This encouraged the schism or division within the FPMR.

This is how the schism came about. But according to ALASEI, sources close to the official FPMR leadership have stated that only a third of the FPMR cadres splintered off from the group.

Although the newspaper *El Mercurio* has stated that there are 5,000 FPMR members, ALASEI quotes U.S. intelligence experts interviewed by Chilean journalist Raul Sohr as stating that there are 1,500 FPMR members.

ALASEI adds that the FPMR did not disappear, that it is supported by a systematic mass movement, and that it enjoys the "sympathy" that is normally rendered to communists, while the other FPMR group lacks this support.

ALASEI stated that in view of the strategic disagreements that have emerged within the FPMR, we may witness the emergence of an armed vanguard group that will undermine the mobilization of the opposition.

Air Force Commander Leaves for PRC Visit

PY052042 Santiago Radio Chilena Network in Spanish 1700 GMT 5 Oct 87

[Text] Air Force [FACH] Commander in Chief General Fernando Matthei has left for the PRC. A communique released by the FACH Public Relations Department says that the commander will pay an official visit at the invitation from the commander in chief of the Air Force of the People's Liberation Army.

During his stay in the PRC, Gen Matthei will meet high-ranking PRC Air Force officers.

Paraguay

Foreign Minister on Relations with U.S., Argentina

PY071614 Asuncion EL DIARIO in Spanish 7 Oct 87 p 12

[All quotation marks as published]

[Excerpt] On 6 October, Foreign Minister Carlos Augusto Saldivar spoke about his recent trip to the United Nations. He also recalled the meetings he had with his counterparts from Argentina, Dante Caputo; and from Brazil, Roberto de Abreu Sodre.

When Saldivar was asked about the situation involving Clyde Taylor, the U.S. ambassador in our country, he stressed: "This is a problem that has no importance in the United States."

It is an issue involving normal relations between countries and the activities of diplomatic representatives."

When asked if there had been any reaction by the State Department, Saldivar said: "There were no reactions by the State Department. Opinions can be expressed, as they most certainly were in this case, but reactions have another meaning."

Asked about the relations between our country and the United States, the foreign minister said: "They are normal. We had some good meetings with high-ranking State Department officials, and I also met with Vernon Walters, the U.S. representative to the United Nations, who admires our country and is a friend of President Stroessner. With Walters, we analyzed our position at the United Nations, and found that we are following the same line and that we have the same points of agreement that we have had for some time now."

Saldivar was also asked about the meeting he had with Argentine Foreign Minister Dante Caputo. He stated: "We had a talk with Dr Caputo. We reviewed our common projects and cooperation between the two countries, and we found that they are positive. We agreed that construction of the Yacyreta hydroelectric plant must continue without delay. We also agreed that the Encarnacion-Posadas bridge across the Parana River must also be completed because it will help the region's development and integration within the framework of a great process and of the great integration that is being carried out in the southern cone.

Regarding Raul Quijano, the Argentine ambassador to Paraguay, who has been away from our capital for some weeks now due to events pertaining to the Miara and Bianco court cases, Saldivar said: "We did not discuss this topic because it is an internal affair of Argentina."

When Saldivar was asked: Did Dr Caputo express any type of concern? Saldivar stressed; "No type of concern." [passage omitted]

Peru

Explosive Devices Thrown at U.S. Consulate

PY081403 Madrid EFE in Spanish 1337 GMT 8 Oct 87

[Text] Lima, 8 Oct (EFE)—Two explosive devices were thrown early this morning at the offices of the U.S. Consulate, located in the residential neighborhood of Miraflores in this capital.

The devices only caused damage, because the Consulate was empty at the time, due to the holiday commemorating the Angamos naval battle, which took place during the war of the Pacific.

According to eyewitnesses, the devices might have been thrown by a woman who was jogging along the street on which the Consulate is located.

President Swears in New Industry Minister

PA071812 Lima Television Peruana in Spanish 0100 GMT 3 Oct 87

[Remarks by President Alan Garcia during swearing-in ceremony of Alberto Vera La Rosa, new industry, commerce, integration, and tourism minister, in the Dorado room of the Government Palace on 2 October—recorded]

[Excerpts] The situation is not the easiest one. Rumors, misunderstandings, and wrong intentions will make the task I am giving you difficult. For 2 years, we have seen that by increasing social consumption and by increasing the people's demands, we can reactivate the economy. [passage omitted]

We need realistic capacities to help us reach our great objectives. It is essential that the country produce more, that industries provide more jobs, and that our people consume more.

The Industry, Commerce, Integration, and Tourism Ministry must fulfill at this time a double role. First, it must maintain the guidelines of reactivation by providing employment and bringing foreign exchange and reserves to Peru. Second, it must fulfill a political role of persuasion to prevent rumors from halting investment programs. It must be able to convince those who are misinformed. [passage omitted]

We need the political capacity of those who can convince big and small industrialists, and we also need the political capacity to decide to overcome the bureaucratic obstacles that hold up investments so much. I authorize you to make all the necessary decisions—because the Constitution has given me that right—to end the bureaucracy that so harms investments. This country has a potentially huge market, both internally and externally. Our industry has capital and liquidity for investments. We have credit, and we even have idle installations.

However, we are held back by rubber stamps, authorizations, commissions, licenses, and paperwork. A man with the necessary courage and determination can overcome these obstacles. I believe you have those characteristics. Do not fail me in this great task. [passage omitted]

Shining Path Murders Officer, Wounds Soldier

PA080139 Lima Panamericana Television Network in Spanish 1200 GMT 7 Oct 87

[Text] Our Huancayo correspondant Elias (Galeon) has reported that a Shining Path column has murdered a Civil Guard second lieutenant and seriously wounded another soldier when it attacked the electric power line in Concepcion, 30 km from Huancayo. The victim was Second Lieutenant Henry Rojas, who suffered fatal wounds from a grenade explosion; the wounded soldier's name is Jaime (Guatarra), whose condition is very serious.

Uruguay

Further Reportage on Shevardnadze Visit

No Comment on Rust Case [EFE]

PY071411 Madrid EFE in Spanish 1345 GMT7 Oct 87

[Text] Montevideo, 7 Oct (EFE)—Soviet Foreign Minister Eduard Shevardnadze has refused to comment on the probable release of FRG pilot Mathias Rust, who was sentenced to 4 years in prison for having landed his plane in Moscow's Red Square.

Shevardnadze, who today concludes a 3-day visit to Uruguay—the first time a Soviet foreign minister has visited this country—replied only: "I know nothing about this topic, I cannot answer."

On 28 may Mathias Rust landed his small plane in Moscow's Red Square, outwitting Soviet control.

At the end of September, after he had been sentenced to 4 years in prison, Rust requested a pardon, which is currently under study.

Diplomatic spokesmen have announced in Montevideo that the young FRG pilot could be released this year under an amnesty that will be decreed to mark the 70th anniversary of the Bolshevik Revolution.

Comments on C.A. Peace Outlook

PA071943 Paris AFP in Spanish 1725 GMT7 Oct 87

[Text] Montevideo, 7 Oct (AFP)—The outlook for a peaceful solution in Central America "is now very good," Soviet Foreign Minister Eduard Shevardnadze said today in Montevideo just before ending a South American tour that also took him to Argentina and Brazil.

The Soviet foreign minister said that "the most important thing" is that the solution to the conflict is the product of a Latin American effort, and he said that he had agreed with his Uruguayan counterpart Enrique Iglesias that "now there is a good chance for an agreement."

Shevardnadze praised the job done by the peace-seeking Contadora Group (Colombia, Mexico, Panama, and Venezuela) and by the Support Group (Argentina, Brazil, Peru, and Uruguay), but he warned that "it is very important that foreign powers do not impede the development of this process."

Leaves for Moscow

PY071744 Madrid EFE in Spanish 1641 GMT 7 Oct 87

[Excerpt] Montevideo, 7 Oct (EFE)—Soviet Foreign Minister Eduard Shevardnadze today concluded his 3-day official visit to Uruguay, and departed for Moscow. This is the first visit to this country by such a high-ranking Soviet official.

Shevardnadze, 59, today concluded the first visit that a Soviet foreign minister has ever made to South America. He also visited Brazil and Argentina. [passage omitted]

Guyana

President Hoyte Welcomes Basotho King

FL070001 Bridgetown CANA in English 1912 GMT 6 Oct 87

[Text] Georgetown, Guyana, Oct 6, CANA—Guyanese gave King Moshoeshoe II of Lesotho a red carpet welcome as he arrived on Monday night at the beginning of a three-day state visit which has been criticised by the main opposition party.

Hundreds of Guyanese anxious to have a glimpse of African royalty turned out to welcome the King Moshoeshoe who touched down at the Timehri International Airport around 20:20 hrs (Guyana standard time).

Heading the Guyanese welcoming delegation was President Desmond Hoyte who was accompanied by Prime Minister Hamilton Green, Vice Presidents Viola Burnham and Ranji Chandisingh, and other ministers of government.

The welcoming ceremony at the airport also featured a 21-gun salute, the mounting of a guard of honour by the Guyana Defence Force, and steelband music.

The *Mirror* newspaper, official organ of the Peoples Progressive Party (PPP) questioned whether the current state visit and the recent seven-day state visit by Grenada's Governor General Sir Paul.Scoon are worth the money and time involved.

The *Mirror*, in an editorial headlined "Those Extravagant State Visits", said that while Guyana is a poor nation, so poor that it cannot pay its debts nor pay its public sector workers enough to live above the poverty line, it is spending vast sums on entertainment.

It said Guyanese are a friendly people who are always kind and polite to visitors but there must be limits. State visits are costly and should be carried out as infrequently as possible and should, on the whole, have some benefits for the country, even if only at the diplomatic level.

"What benefits will the notion earn from the visits of Sir Paul Scoon and now, the king of Lesotho. Whether these visits are worth the money and time is a question which must be seriously asked, the *Mirror* said. [quotation mark as received]

It said that recent visits by outside friends have all been aimed at creating an impression, especially to the U.S. and aid donors, that the present regime is willing to play games with all and sundry even those who are puppets of imperialism. But it is wrong to play such extravagant diplomatic games on the backs of Guyanese who are suffering so much and are forced to wear a nice smile for foreign dignataries, the *Mirror* said.

The rousing welcome accorded the king last night was continued this morning when a civic reception attended by a large gathering was held in honour in the city's scenic botanic gardens where he was presented with a symbolic gold key to the city conferring upon him honorary citizenship.

In brief remarks in response to a welcome speech by acting mayor of Georgetown, Compton Younge, King Moshoeshoe said his visit signifies an historic relationship and the establishment of bonds of friendship.

Later today, King Moshoeshoe will visit the bauxite mining town of Linden. Also included on his programme are official talks with President Hoyte and visits to one of Guyana's big water control projects and the Institute of Applied Science and Technology. He is scheduled to leave here on Thursday.

Opposition Criticizes Grenadian's Visit

FL061846 Bonaire Trans World Radio in English 1130 GMT 6 Oct 87

[Text] A week-long visit of Grenadian Governor General Sir Paul Scoon to Guyana has been criticized by two Guyanese opposition parties in Parliament. The Working People's Alliance said Mr Scoon was a most inappropriate guest because of his support for the U.S.-led intervention of Grenada in 1983. The People's Progressive Party also questioned the reason for Mr Scoon's official state visit in late September suggesting that the government of President Desmond Hoyte might have softened its opposition to the Grenadian Government.

Inquest on WPA Founder's Death in 1980

FL051623 Bridgetown CANA in English 1512 GMT 5 Oct 87

[Excerpts] Georgetown, Guyana, Oct 5, CANA—An inquest into the death seven years ago of Dr Walter Rodney, Guyanese historian and co-founder of the Working People's Alliance (WPA) has been ordered by director of public prosecutions, George Jackman, the state-owned *Chronicle* newspaper reported.

The paper said that Coroner Cecil Sullivan has received the relevant files but pointed out that because there is a backlog of inquests to be heard the Rodney inquest is not likely to begin before December unless it is given priority.

Rodney, a world renowned historian and political activist who is the author of the book "How Europe Underdeveloped Africa," died in a bomb blast on June 13, 1980 and his colleagues have consistently alleged that he was assassinated by agents acting on behalf of the then Forbes Burnham government of the Ruling People's National Congress (PNC). [passage omitted]

Over the years, there has been a relentless campaign by Dr Rodney's followers and supporters—including his widow Pat Rodney now residing in Barbados—for an inquest in the bomb blast death. But as was the case with a number of other deaths here, many of them cases in which persons died reportedly in confrontations with the police, to date no inquest has been held into Rodney's death. In recent months, however, there have been concerted attempts at clearing up the backlog of inquests and this is seen as part of the two year old Desmond Hoyte administrations desire to improve Guyana's human rights image. [passage omitted]

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